

of State to continue to completion the collecting, editing, and publishing of official papers relating to the Territories of the United States; without amendment (Rept. No. 704). Referred to the Committee of the Whole House on the State of the Union.

Mr. IZAC: Committee on Naval Affairs. S. 58. An act to amend an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941, as amended, and for other purposes; with amendment (Rept. No. 705). Referred to the Committee of the Whole House on the State of the Union.

Mr. BIEMILLER: Committee on Naval Affairs. S. 397. An act to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939-41; without amendment (Rept. No. 706). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Naval Affairs. H. R. 319. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; with amendment (Rept. No. 707). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 289. Resolution waiving points of order against the bill, H. R. 3368, making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 708). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H. R. 3402. A bill to establish a United States Women's Naval Academy; to the Committee on Naval Affairs.

H. R. 3403. A bill to establish a United States Women's Military Academy; to the Committee on Military Affairs.

H. R. 3404. A bill to provide for the establishment of a United States Naval Aviation Academy; to the Committee on Naval Affairs.

H. R. 3405. A bill to provide for the establishment of a United States Military Aviation Academy; to the Committee on Military Affairs.

H. R. 3406. A bill to provide for a three-fold increase in the number of midshipmen at the United States Naval Academy; to the Committee on Naval Affairs.

H. R. 3407. A bill to provide for a three-fold increase in the Cadet Corps at the United States Military Academy; to the Committee on Military Affairs.

By Mr. NEELY:

H. R. 3408. A bill to authorize a preliminary examination and survey of Buffalo Creek and its tributaries, West Virginia and Pennsylvania, for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. RANDOLPH:

H. R. 3409. A bill to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ROBERTSON of North Dakota:

H. R. 3410. A bill authorizing the construction of a free highway bridge across the Yellowstone River near Fairview, Mont.; to the Committee on Interstate and Foreign Commerce.

H. R. 3411. A bill granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River; to the Committee on Interstate and Foreign Commerce.

By Mr. BREHM:

H. R. 3412. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 3413. A bill to provide promotion of certain retired officers of the Army, Navy, Marine Corps, and Coast Guard who served as commissioned officers during two wars; to the Committee on Military Affairs.

By Mr. TRAYNOR:

H. R. 3414. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LYLE:

H. R. 3415. A bill to amend the Servicemen's Dependents Allowance Act of 1942 to provide for the continuance during the present war of the payment of monthly family allowances to dependents of enlisted men who die in service; to the Committee on Military Affairs.

By Mr. CANNON of Florida:

H. R. 3416. A bill to provide fair and just compensation for the use of any building, as defined in this act, by the United States and to provide for mutual cancellation rights between the lessor and the lessee, for the use of such building where governed by a written lease executed after December 7, 1941; to the Committee on Public Buildings and Grounds.

By Mr. REES of Kansas:

H. Res. 288. Resolution providing for the investigation of the handling and disposal of surplus Government property and Government-owned war plants; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to increase the subsistence allowances for war veterans while pursuing educational courses under the GI bill of rights, so-called; to the Committee on World War Veterans' Legislation.

Also, memorial of the President of the Chamber of Deputies of Lebanon, relative to the strife in Lebanon; to the Committee on Foreign Affairs.

Also, memorial of the President of the Chamber of Deputies of Syria, relative to the strife in Syria; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the establishment of a system of unemployment insurance in the maritime industry; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3417. A bill for the relief of Clarence J. Spiker and Fred W. Jandrey; to the Committee on Foreign Affairs.

By Mr. MCGEHEE:

H. R. 3418. A bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the United States Naval Convalescent Hospital, Banning, Calif., on March 5, 1945; to the Committee on Claims.

By Mr. SHAFER:

H. R. 3419. A bill for the relief of the estate of Mrs. Mary Karalis; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

889. By Mr. COCHRAN: Petition of Anna E. Filip and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

890. Also, petition of Henry G. Lear and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

891. Also, petition of Jack Pessina and 31 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

892. Also, petition of Joseph Blow and 21 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

893. Also, petition of E. M. West and 29 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

894. By Mr. SULLIVAN: Petition of Charles K. Baker and 234 other citizens of St. Louis, Mo., urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

895. Also, petition of Andrew Jackson Carter and 252 other citizens of Missouri, urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

896. By the SPEAKER: Petition of Robert Bettancourt and sundry others, of New York City, N. Y., petitioning consideration of their resolution with reference to House bill 2346; to the Committee on the Merchant Marine and Fisheries.

897. Also, petition of Samuel C. Pandolfo, petitioning consideration of his resolution with reference to a redress of grievances; to the Committee on the Judiciary.

898. Also, petition of the secretary, Texas Synod of the Evangelical and Reformed Church, petitioning consideration of their resolution with reference to their approval of Senate bill 101 and House bill 2232; to the Committee on Labor.

899. Also, petition of the secretary, Upper Mississippi Valley Water Use Council, petitioning consideration of their resolution with reference to a survey of the Upper Mississippi River Navigation Reservoirs; to the Committee on Rivers and Harbors.

SENATE

FRIDAY, JUNE 8, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Jacob S. Payton, D. D., Washington, D. C., Assistant Director of the General Commission on Army and Navy Chaplains, offered the following prayer:

Almighty God, our Heavenly Father, we acknowledge Thy excellency, we return thanks for Thy continued goodness, and confess to Thee our sins and shortcomings. Amid the tribulations of our times, we need Thy peace for our hearts. In a day of confusion, we require the clarifying wisdom which is from above. In a world clamorous with many voices, teach us to take heed that we may hear what the Lord doth say. For all such help we turn to Thee, O Lord, whose mercy endureth forever, and whose promises to those who put their trust in Thee are faithfully kept.

We invoke Thy blessing upon Members of this body. Grant them strength for their labors, discernment of policies that make for national righteousness, courage for the realization of their ideals, and always a steadfast faith in Thee in directing the destinies of America.

Sustain our fighting forces with valor and guard us against failure to protect and preserve the peace and the liberties now being bought by their sacrifices. We offer our prayer in the name of Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 7, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 7, 1945, the President had approved and signed the joint resolution (S. J. Res. 66) to extend the statute of limitations in certain cases.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3314) to provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development, in which it requested the concurrence of the Senate.

THE PRESIDENT'S PRESS CONFERENCES—ARTICLE BY ARTHUR KROCK

Mr. HATCH. Mr. President, the true measure of any man's greatness is nearly always demonstrated by the methods and the way in which he exercises power or discharges high responsibilities. A little man, given unusual power, does not take very long to demonstrate his littleness. A truly great man equally demonstrates his greatness by the simplicity and the humbleness with which he exercises and discharges power and high responsibility. No man was ever more suddenly thrust into position of great power and high responsibility than was the man who now sits in the White House.

This morning I happened to pick up the New York Times and read the article by Mr. Arthur Krock entitled "The President's Own Press Technique." The

article describes President Truman and, in a measure, demonstrates how daily President Truman is giving evidence to the Nation and to the world that in the exercise of the great powers which have come to him and in the discharge of the high responsibilities of his office he is showing every mark of true greatness. In the last paragraph of the article Mr. Krock says:

Such is Mr. Truman's press conference technique, which really isn't technique at all, being simply Mr. Truman of Independence, Mo.

Mr. Krock makes plain that the President of the United States in remaining and being Mr. Truman of Independence, Mo., is showing every element and every mark of genuine and true greatness.

Mr. President, I ask unanimous consent that the entire column written by Mr. Krock be printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the article will be inserted in the RECORD as requested.

The article is as follows:

THE PRESIDENT'S OWN PRESS TECHNIQUE (By Arthur Krock)

WASHINGTON, June 7.—Mr. Roosevelt's press conferences were usually interesting events, and often dynamic and sensational. He used this important medium of public information with a skill that had become professional before he left Albany for Washington. So greatly did he value the press conference as a governmental, political, and personal instrument that he rarely interrupted his semiweekly schedule. When the President died it was generally thought that no successor could bend this bow of Ulysses as effectively.

But in the brief period of his Presidency Mr. Truman has already demonstrated that he, too, is a master of the press-conference medium and that he has a technique all his own. The method differs widely from Mr. Roosevelt's, but in the following respects it is superior:

Mr. Truman does not hold a press conference until he has a budget of important news to impart, and then he fires it off with the rapidity and accuracy of the veteran artilleryman he is. He is always clear and direct. He answers promptly and precisely such questions as he wishes to answer. But he gives his auditors so much work to do in reporting what he has told them that little inclination to question remains, and none for those speculative and trouble-laden interrogations which were so tempting to Mr. Roosevelt and to which he often made improvised or hasty replies that got him into difficulties. Such questions were time-fillers on the numerous occasions when the late President had little or no news, and therefore there was no reason for the conference to be held at all.

SWAMPING THE REPORTERS

In 14 minutes today, for example, Mr. Truman gave the material for almost a dozen news articles—all important, some very important. By the time he had completed his budget the press and radio reporters were eager to get to their typewriters and their microphones, for time is always running against their busy trade. The questions that were addressed to the President dealt with emergent factual matters such as:

- (1) What about the offshore oil suits? I told the Department of Justice to bring them.
- (2) Do you think the Big Five should meet on Syria, as the French and Russians have suggested? No.
- (3) Can you say anything about Harry Hopkins' report? I'll tell about that here after he has made it.

The exchanges (all quotations herein are paraphrased) were agreeable, but there was no time for jokes and sallies and no atmosphere to engender them. The President is very businesslike when engaged in the major business of reporting to the people through the press conference, and, since that is the sole occupation of those whom he is addressing, his auditors are delighted. For a time some of them may have been apprehensive over the new system of calling them to the President's office at irregular and less frequent intervals. But it is now clear that Mr. Truman is as great a believer in and practitioner of the method as Mr. Roosevelt was, except he has a belief that meetings with the press are mutually useful only when he has news.

YOUNGER APPOINTEES

There were other interesting aspects to today's press conference. One was the repetition of that accent on youth which is becoming more and more audible in Mr. Truman's administration. Two of his new appointees—Lt. Paul Herzog as Chairman of the National Labor Relations Board, and W. Stuart Symington as Chairman of the Surplus Disposal Board—are young men by any standard, and John B. Hutson, the new Under Secretary of Agriculture, is not yet 55. While General Bradley, who will succeed General Hines as head of the Veterans' Bureau, is not young himself, the President's stated reason for the change followed the same line of thinking that has reduced the age of his Cabinet and the administration in general: that the affairs of veterans of a war should be managed by a companion in arms.

This is very independent, clear, and fluid thinking, and, if the thought did not originate with the President, the undoubted conclusion is that he instantly saw the point when it was made. However, since Mr. Truman served in World War I and knows the Veterans' Bureau thoroughly, it is much more probable that the idea is his own. This impression is strengthened by the general one he conveys—that he originates most of the decisions he makes. And certainly when he has cut through doubts, difficulties, and confusions of counsel he is forthright and firm in his position, and gives no suggestion that he wants to escape opposition by gliding hard facts.

That was the way he stated everything today, and the way he has made his announcements at previous press conferences. If anyone thinks travel restrictions should be abandoned, he is asking the impossible, said the President. If travel rationing is necessary, there will be rationing. Members of Congress are grossly underpaid—and diplomats too (answering a question)—and he would sign a bill to give Members \$25,000 a year if Congress sends him such a straightforward measure, said the President. The Government should be the sole employer of its officers and officials, and therefore they should be paid a living wage, said the President.

Such is Mr. Truman's press conference technique, which really isn't technique at all, being simply Mr. Truman of Independence, Mo.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. Doc. No. 64)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the District of Columbia (public schools), amounting to \$490,000, fiscal year 1946, in the form of

amendments to the Budget for that fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

UNIFORMITY AND COORDINATION IN THE CLASSIFICATION OF FIELD POSITIONS TO GRADES OF CLASSIFICATION ACT OF 1923

A letter from the president of the United States Civil Service Commission, transmitting a draft of proposed legislation to further amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field positions to the grades of the Classification Act of 1923, as amended; and for other purposes (with an accompanying paper); to the Committee on Civil Service.

PERSONNEL REQUIREMENTS

A letter from the executive assistant to the Secretary of Commerce, transmitting, pursuant to law, revisions of estimates of personnel requirements for coastal surveys, and working funds, coast and geodetic survey, for the quarter ending June 30, 1945 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Chamber of Commerce of Tulsa, Oklahoma, favoring the enactment of legislation to prevent the granting of immunities, subsidies, favors, and unfair advantages to cooperative organizations because of their cooperative form and practices, and to place them on an equal and competitive basis with all other business organizations (other than certain farmers and fruit growers); to the Committee on Finance.

A letter in the nature of a petition from Guy W. Ceell, of Detroit, Mich., praying for the enactment of the so-called seamen's bill of rights legislation; to the Committee on Commerce.

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions apprising the President of the United States that further decreases in existing tariff rates, if made by him under authority of the Tariff Act of 1930, as amended, may adversely affect the textile industry in Massachusetts

"Whereas there is pending before the Congress of the United States a bill, printed as H. R. 2652, which in part extends the authority of the President of the United States in the making of proclamations by him increasing or decreasing existing tariff rates; and

"Whereas while it is recognized and agreed that the basic principle involved in the proposed legislation is a necessary part in the work for the establishment and maintenance of world peace, yet any further decreasing of existing tariff rates by the President under such extended authority, if said bill is enacted into law, may result in conditions adversely affecting the textile industry in Massachusetts: Therefore be it

"Resolved, That the General Court of Massachusetts hereby respectfully apprises the President of such result so that he may be guided thereby in acting under the authority aforesaid in the matter of tariff rates; and be it further

"Resolved, That a copy of these resolutions be sent forthwith by the State secretary to the President of the United States and to each Member of the Congress from this Commonwealth."

FRANKLIN D. ROOSEVELT NATIONAL HOLIDAY

Mr. MEAD. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference a resolution adopted by the officers and members of local No. 76, United Furniture Workers of America, affiliated with the CIO, New York City, N. Y., requesting that January 30 of each year be proclaimed a national holiday in honor of former President Franklin D. Roosevelt.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

To the Congress and the Senate of the United States of America:

We, the officers and members of local 76, United Furniture Workers of America, affiliated with the CIO, after due deliberation do hereby resolve that the Congress of the United States should set aside January 30 of each year and proclaim this day a national holiday to honor the memory and birthday of a man who, during his lifetime, did much to make this world of ours a better place to live in, and who died in the service of his country and of the world.

That man, humanitarian, statesman, and citizen of the world, was our late President and Commander in Chief of the United States, Franklin Delano Roosevelt.

LOCAL 76, UNITED FURNITURE WORKERS OF AMERICA, CIO,

JACK SCHWARTZ, *President*.
MORRIS PIZER, *Secretary-Treasurer*.

APPROPRIATION FOR FEPC—TELEGRAM FROM LAUNDRY WORKERS JOINT BOARD OF GREATER NEW YORK

Mr. CAPPER. Mr. President, I have received a telegram from the Laundry Workers Joint Board of Greater New York, William Baron, manager, appealing to the Congress to restore to the war-agencies appropriation bill the item for FEPC legislation. I am heartily in favor of the FEPC bill and ask unanimous consent to have the telegram printed in the RECORD and appropriately referred.

There being no objection, the telegram was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., June 6, 1945.

Hon. ARTHUR CAPPER,
United States Senate:

Behalf of 20,000 laundry workers in Greater New York, we urge you to restore to war agencies appropriations bill the item for FEPC. The future of American democracy rests upon true equality for all its people regardless of race, creed, or color, who gave their sons to preserve this democracy.

LAUNDRY WORKERS JOINT BOARD OF GREATER NEW YORK ACWA,

WILLIAM BARON, *Manager*.
ROY SODEN, *Assistant Manager*.
LOUIS SIMON, *Secretary-Treasurer*.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUSHFIELD, from the Committee on Finance:

S. 830. A bill to provide for designation of the United States Veterans' Administration hospital at Sioux Falls, S. Dak., as the Royal C. Johnson Veterans' Hospital; without amendment (Rept. No. 354).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 3059. A bill authorizing the Postmaster General to continue to use post-office clerks and city letter carriers interchangeably; without amendment (Rept. No. 355).

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—REPORT OF COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, the Senate Finance Committee has ordered reported favorably the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which is commonly known as the Trade Agreements Act. The bill provides for an extension of that act. The report may not be ready for filing during the day, and I ask unanimous consent to file it during the recess of the Senate if the Senate shall not be in session tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MEMBERSHIP OF THE UNITED STATES IN THE FOOD AND AGRICULTURAL ORGANIZATION OF THE UNITED NATIONS—REPORT OF COMMITTEE ON FOREIGN RELATIONS

Mr. AUSTIN. Mr. President, I desire to make a request on behalf of the Committee on Foreign Relations. House Joint Resolution 145, providing for membership of the United States in the Food and Agricultural Organization of the United Nations, has been ordered reported favorably, and I was asked to file a report for the committee. The report is not yet ready, but I hope to have it ready soon, and I ask permission to file it in recess.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on June 7, 1945, he presented to the President of the United States the following enrolled bills:

S. 392. An act for the relief of Nebraska Wesleyan University and Herman Flatt;

S. 510. An act to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes;

S. 633. An act to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such; and

S. 889. An act to amend section 47c of the National Defense Act of June 3, 1916, as amended, so as to authorize credit to students now or hereafter enrolled in the senior division of the Reserve Officers' Training Corps for military training received while on active duty in the Army, Navy, Marine Corps, or Coast Guard, or while pursuing a course of instruction in the Naval Reserve Officers' Training Corps.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of May 1945 from the chairman of a certain committee in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE MILITARY AFFAIRS COMMITTEE, SUBCOMMITTEE ON WAR MOBILIZATION

JUNE 5, 1945.

names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of May 1945, in compliance with the terms of

Senate Resolution 319, agreed to August 23, 1944:

To the Senate:

The above-mentioned committee hereby submits the following report showing the

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Ann S. Gertler.....	3721 39th St. N.W., Washington, D. C.	Department of Interior, Washington, D. C.	\$2,000
Hope C. Heslep.....	2 East Maple St., Alexandria, Va.	War Manpower Commission, Washington, D. C.	2,000
Jean P. Karasik.....	1919 19th St. N.W., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	3,800
Charles Kramer.....	4621 South 34th St., Arlington, Va.	Office of Price Administration, Washington, D. C.	6,500
C. Theodore Larson.....	3917 North 5th St., Arlington, Va.	National Housing Agency, Washington, D. C.	5,600
Fritzie P. Manuel.....	1621 T St. N.W., Washington, D. C.	War Manpower Commission, Washington, D. C.	4,600
Darel McConkey.....	Lanham, Md.	War Production Board, Washington, D. C.	4,600
Cora L. Moen.....	5327 16th St. N.W., Washington, D. C.	Office of Price Administration, Washington, D. C.	2,000
Elizabeth H. Oleksy.....	1620 Fuller St. N.W., Washington, D. C.	War Production Board, Washington, D. C.	2,600
Mary Jane Oliveto.....	500 B St. N.E., Washington, D. C.	National Housing Agency, Washington, D. C.	1,800
Francis C. Rosenberger.....	5814 64th Ave., East Riverdale, Md.	Office of Price Administration, Washington, D. C.	4,600
Herbert Schimmel.....	3604 Minnesota Ave. S.E., Washington, D. C.	War Production Board, Washington, D. C.	8,000
Marjorie J. Tillis.....	211 Delaware Ave. S.W., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	3,200

H. M. KILGORE, Chairman.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 1121. A bill for the relief of the J. B. McCrary Co., Inc., and for other purposes; to the Committee on Claims.

By Mr. WHERRY:

S. 1122. A bill for the relief of Charles Bryan (with accompanying papers); to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 1123. A bill to encourage the provision of useful public works and for other related purposes; to the Committee on Finance.

By Mr. GUFFEY:

S. 1124. A bill to provide for abatement of tax for members of the armed forces in certain cases, an additional exemption for veterans, and for other purposes; to the Committee on Finance.

By Mr. OVERTON (for himself and Mr. BRIDGES):

S. 1125. A bill to increase the compensation of the Speaker of the House of Representatives, the Vice President of the United States, Senators, Representatives in Congress, Delegates from Territories, the Resident Commissioner from Puerto Rico, and members of the Cabinet; to the Committee on Appropriations.

By Mr. GREEN:

S. 1126. A bill for the relief of Alice A. Murphy; to the Committee on Claims.

By Mr. MAGNUSON:

S. 1127. A bill for the relief of Edward Pittwood; to the Committee on Claims.

(Mr. RADCLIFFE introduced Senate bill 1128, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. PEPPER:

S. 1129. A bill for the relief of Willie H. Johnson; to the Committee on Claims.

(Mr. PEPPER introduced Senate bill 1130, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. PEPPER:

S. J. Res. 74. Joint resolution designating the second Thursday of October of each year as Clara Barton Day; to the Committee on the Judiciary.

READJUSTMENT IN CIVILIAN LIFE OF PERSONS SERVING IN THE MERCHANT MARINE

Mr. RADCLIFFE. Mr. President, I introduce a bill providing aid for the readjustment in civilian life of persons who have rendered war service in the United

States merchant marine during World War II, and to provide aid for the families of deceased war-service merchant seamen.

It is not my intention at this late hour to attempt to discuss the bill, the purposes of which are obvious. Our Government very wisely, and in a sense of undisputed fairness, has made provision that members of the armed forces returning to civilian life shall have some facilities for their aid coming from our Government. It seems only fair and reasonable that something also very substantial and beneficial should also be done for those who have been in the merchant marine and are leaving that service or, in some cases, for their families. We know that in no other war in our history has the merchant marine been called upon to render services as important as those it has rendered during the present one. What they have done has been indispensable. They have served well and nobly. They have made possible our essential operations in all parts of the globe. They have constantly been subject to the dangers and hazards of war. Many members of the merchant marine have given their lives for our country. Picture the tragedy in a loss of 40 percent of ships and men in a trip to Murmansk. Certainly it is meet and proper that suitable recognition by way of legislation be paid to members of the merchant marine for what they have done so bravely and so helpfully. With that purpose in mind, arrangements should be made by the Federal Government by which these returning seamen shall have increased opportunities for civilian life, and their individual facilities should be augmented in various ways by the Federal Government.

The bill (S. 1128) to provide aid for the readjustment in civilian life of those persons who rendered war service in the United States merchant marine during World War II, and to provide aid for the families of deceased war-service merchant seamen, introduced by Mr. Radcliffe, was read twice by its title and referred to the Committee on Commerce.

FAIR AND JUST COMPENSATION FOR USE OF BUILDINGS BY THE UNITED STATES

Mr. PEPPER. Mr. President, I ask unanimous consent to introduce for ap-

propriate reference a bill which is a revised version of another bill I introduced on May 17, being Senate bill 1012, and now pending before the Committee on Military Affairs. I ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the bill (S. 1012) to provide fair and just compensation for the use of certain hotels and apartment buildings by the United States and to provide for mutual cancellation rights between the lessor and the lessee for the use of said hotels and apartment buildings where governed by written leases executed after December 7, 1941, and that it be indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Florida? The Chair hears none, and the bill introduced will be received and appropriately referred, and Senate bill 1012 will be indefinitely postponed.

The bill (S. 1130) to provide fair and just compensation for the use of any building, as defined in this act, by the United States and to provide for mutual cancellation rights between the lessor and the lessee, for the use of such building where governed by a written lease executed after December 7, 1941, introduced by Mr. PEPPER, was read twice by its title and referred to the Committee on Military Affairs.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. MOORE and Mr. TAFT each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3314) to provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development, was read twice by its title and referred to the Committee on Banking and Currency.

PRINTING OF ADDITIONAL COPIES OF PART 1 OF HEARINGS BEFORE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES ON POSTWAR DISPOSITION OF MERCHANT VESSELS

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 62, which was read as follows:

Resolved by the House of Representatives (the Senate concurring). That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on the Merchant Marine and Fisheries of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 750 additional copies of part 1 of the hearings on postwar disposition of merchant vessels held before said committee during the current session.

Mr. HAYDEN. Mr. President, as a courtesy to the House, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

LIDICE MEMORIAL

Mr. PEPPER. Mr. President, Sunday, June 10, will be the third anniversary of the ruthless destruction of the peaceful village of Lidice, Czechoslovakia, by the Germans. The depravity of German conquest against Lidice stands as one of the high crimes of World War II. For the American people to pause and remember Lidice is a sure way for the United States to be reminded of all that we are fighting for in this lightning Global War.

June 10 should always stand as Lidice Day—a remembrance for a kindly liberty-loving people who suffered great tragedy—a reminder that people's towns in the United States might have suffered similar fates had we not had the courage, the material, and the manpower to turn back the Nazi hordes.

There has been organized the Lidice Memorial Committee to keep alive the memory of Lidice.

Lidice has been immortalized; it has become a new symbol for the United Nations of the liberty for which it is fighting. Its memory has not been dimmed by other acts of savagery that added other towns and thousands of innocent victims to the want acts of an enemy who now has been defeated.

With the approach of Lidice Day, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD, following my remarks, an inspiring story of the destruction of Lidice written by Joseph Auslander, famous American poet. It is based on facts furnished by Joseph Horak who watched the wiping out of his home village.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIDICE MEMORIAL

There once was an old, old village in Bohemia, and its name was Lidice. It was a small and peaceful village. There was a church, a school, a farmer's market, a general store. There was a butcher, a baker, a shoemaker, a blacksmith. Indeed, Lidice was such a friendly, tight little village that the people there needed only one of everything.

When the invader came, there were just 89 homes in the village. Every cottage had its own neat vegetable garden. Every cottage had a chicken yard and a goose pen. And in front of each cottage there was a flower bed. In Lidice everyone grew geraniums, and their cheerful rosy red and their spicy smell walked up and down Main Street with the people.

Lidice was a village whose people were content. They did not travel to the big cities. Sometimes one of them went as far as Prague, to bring back wondrous tales of the ancient cathedral, the splendid markets, the beautiful national theater. But for the most part, the people of Lidice lived to themselves, and the great outside world of cities whose magical towers glittered in the twilight was but a dream and a dreamer's tale.

In other words, Lidice was literally the people's town; in a very real sense, the village of the world. Everybody has a little piece of Lidice in his heart.

In the morning, the farmers went afield to cultivate the land. And the miners went down into the coal pits to labor; but all returned home after the Angelus.

When the invader came, the people—there were only 628 of them altogether—were trampled under his iron boot; still they fared no better and no worse than a thousand other villages. They were subjected to numerous inspections and inquisitions; they resisted to the utmost.

And then, on May 27, 1942, in far away Prague, two Czech patriots shot and fatally wounded Reinhard Heydrich—Heydrich, the hangman—deputy Reich protector of Bohemia-Moravia, and deputy gestapo chief, who had been sent from Berlin to keep the Czechs in line with whip and bullet and rope, but especially with rope, whence came his nickname—the hangman.

Heydrich died on June 4. A reward of \$225,000 was posted for the capture of the patriots. They were never captured.

The hangman's state funeral, on June 7, was an occasion of barbaric splendor. No royal personage has been followed to his grave by a more spectacular cortege. And, in that dreadful funeral procession, marched the ghosts of 2,000 innocent people of Prague, murdered that they might escort the hangman to his final doom. These murdered folk included judges, architects, physicians, artists, university professors, students, and just plain people.

But the 2,000 were not enough. Some memorial to shock the world, grown almost shockproof through the monotonous accumulation of horror upon horror, must be provided for the hangman. So Lidice was chosen for that infamous honor.

On June 10, a certain Joseph Horak, villager of Lidice, was arriving home from a visit to Prague. He took a short cut through the woods; the morning was clear and peaceful; the village was still sleeping. From a small hill he saw to his dismay, that Lidice was surrounded by the invader's tanks. Then the dive bombers swooped down. Whole families; men, women, and children, rushed forth from their houses in helpless terror only to be met and mowed down by machine guns. Those who remained in their cottages were barricaded in by the invader's foot soldiers, and the houses set on fire. Then the tanks moved forward to level the village; the foot soldiers went about in squads to slaughter any stray survivors, and finally all of Lidice was flaming in one vast funeral pyre of innocent martyrs. When the invader left the smoking ruins, there was indeed a terrible memorial.

The excuse, of course, was that the two Czech patriots who had shot the hangman were concealed there. But we know now that if the invader had not made an example of Lidice, it would have been some other village—some similar peaceful spot on which to

visit vengeance. For by now there have been a thousand Lidices—in France, in Greece, in Norway, in all the ravaged lands—but this Lidice in Bohemia is the mother of all Lidices, for here the furious degradation of the invader first found its consummation.

There is an enormous patience and courtesy in the earth. The grass eternally forgives, the grass has grown over the graves of the martyrs. But the wounded heart cannot ever quite heal over. Out of the wounded heart, slow drop by drop, has grown the dream and the plan that is the resurrection of Lidice.

Lidice, the quiet little village, was unknown to the world. Lidice, the symbol, belongs to the whole world—to every liberty-loving human being—of every race and creed and color. Today the very word "Lidice" stands for those virtues of the human heart, those values and graces of man's imperishable spirit which alone confer on time the dignity of timelessness and which alone give to life meaning, direction, and grandeur.

In America, the land of freedom, the children of Czechoslovakia join with all the free children of earth to rebuild Lidice. All freemen have a stake in Lidice. This new Lidice will be a place where again grandfather may go about his farming, and grandmother spin and weave; where father may work the mines, and mother bake the good bread that keeps the family strong; where the children can sing and play in the public square. The village will be restored and forever, towering above it, tall enough to be seen even as far away as the shining mountains, will stand a great cathedral of the heart, wrought of granite and bronze. This will be a monument devoid of hate, revenge, and pride. It will be a place of pilgrimage for every living soul in our time and in all future times, a place of forgiveness—and of peace.

On the site, once famous for its cherry orchards, will rise this monument of mercy; it will be built by Czech labor on land pledged by the Czech Government. The Czechs are a proud people. They do not want the dole and the soup kitchen. They ask only to earn their bread in the sweat of their labor, as freemen worthy of their hire. For them and for this noble work of their hearts and hands, all funds contributed by freemen everywhere will be used.

The ruins of the old Lidice will remain untouched as a cemetery for the bones of the innocent martyrs and the ashes of their homes. On one side of the valley will spring the new, modern Lidice; on the other, and facing it, will stand this memorial—both city and memorial tangible and eternal witnesses to Czech labor and universal brotherhood.

This, then, is the dream and the plan that have grown, slow drop by drop, out of the wounded heart and the heart's faith. A renowned Czech-American sculptor and a Czech architect have fashioned the form of the dream. It is the duty and privilege of the free peoples of earth to give it shape and substance.

When this cathedral is built and the village is restored, the word Lidice will take on still another meaning. It will be the living symbol of Christ's compassionate utterance and promise: "Come unto me, all ye that labor and are heavy laden, and I will give you rest." Lidice will remain forever the measure of the depths to which man can descend—and the heights to which he can rise.

SOVIET-AMERICAN UNITY IN VICTORY AND PEACE—ADDRESS BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him in New York City on May 31, 1945 as a part of a program entitled

"Salute to the GI's," which appears in the Appendix.]

RESEARCH FOR HEALTH—ARTICLE BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the Appendix of the Record an article entitled "Research for Health" written by him and published in the New York Times of April 10, 1945, which appears in the Appendix.]

ADDRESS BY SENATOR MYERS AT COMMENCEMENT EXERCISES, CATHOLIC UNIVERSITY

[Mr. GUFFEY asked and obtained leave to have printed in the Record the address delivered by Senator MYERS at the commencement exercises, Catholic University of America, Washington, D. C., May 23, 1945, which appears in the Appendix.]

INCREASE IN PAY FOR POSTAL EMPLOYEES—ADDRESS BY SENATOR MYERS

[Mr. GUFFEY asked and obtained leave to have printed in the Record a radio address on the proposed increase in pay for postal employees delivered by Senator MYERS on April 21, 1945, at Philadelphia, which appears in the Appendix.]

ASSOCIATE JUSTICE JACKSON'S REPORT ON TRIALS FOR WAR CRIMINALS

[Mr. BROOKS asked and obtained leave to have printed in the Record the report to the President of the United States by Associate Justice Robert H. Jackson, chief of counsel for the United States in the prosecution of Axis war criminals, which appears in the Appendix.]

PLAN TO END WORLD TRADE CURBS—ADDRESS BY GOVERNOR DEWEY

[Mr. TOBEY asked and obtained leave to have printed in the Record an address delivered by Governor Dewey on June 7, 1945, offering a plan to end world trade curbs, which appears in the Appendix.]

TRIBUTE TO ERNIE PYLE BY JOSEPH L. DAILEY

[Mr. HATCH (on behalf of Mr. WILLIS and himself) asked and obtained leave to have printed in the Record an address delivered by Joseph L. Dailey at Albuquerque, N. Mex., May 13, 1945, in tribute to the late Ernie Pyle, which appears in the Appendix.]

WHY I AM AN AMERICAN—ESSAY BY GEORGE J. CHRYSYSSIKOS

[Mr. MEAD asked and obtained leave to have printed in the Record an essay by George J. Chryssikos, of New York City, entitled "Why I Am an American," which appears in the Appendix.]

OPPOSITION TO MISSOURI VALLEY AUTHORITY BILL

[Mr. LANGER asked and obtained leave to have printed in the Record an editorial entitled "Battle of Befuddlement," relating to opposition to the Missouri Valley Authority bill, published in the Progressive of June 4, 1945, which appears in the Appendix.]

FARM MACHINERY

[Mr. LANGER asked and obtained leave to have printed in the Record an article from the McLean County (N. Dak.) Independent of May 31, 1945, entitled "Increase Possible in Farm Machinery," and also three postal cards relative to the exportation of farm machinery from Canada through Portal, N. Dak., which appear in the Appendix.]

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACT OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAFT obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Daniel
Austin	Guffey	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Hickenlooper	Reed
Brewster	Hill	Robertson
Bridges	Hoey	Saltonstall
Brooks	Johnson, Calif.	Shipstead
Buck	Johnson, Colo.	Smith
Burton	Johnston, S. C.	Taft
Bushfield	La Follette	Thomas, Okla.
Butler	Langer	Tobey
Capper	Lucas	Tunnell
Chandler	McKellar	Tydings
Chavez	McMahon	Wagner
Donnell	Magnuson	Walsh
Downey	Mead	Wherry
Ellender	Moore	White
Fulbright	Morse	Wilson
George	Murdoch	
Gerry	Myers	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. BRIGGS], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. MITCHELL] are absent in Europe on official business for the Special Committee Investigating the National Defense Program.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CONDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from Michigan [Mr. FERGUSON] is absent on official business of the Senate as a member of the Mead Committee.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business as a member of the Board of Visitors to the United States Merchant Marine Academy.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-four Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I spoke at such length yesterday that I really feel ashamed to speak again, and shall speak but a few moments simply to summarize the position which I took yesterday.

One thing has happened which I think illustrates the point I was trying to make yesterday, that it is not possible completely to prevent inflation because to do so is to freeze injustice as well as justice, and people will not stand for freezing injustice, particularly as to individuals. The result has been that in the last 2 years, while prices have been held stable, wages have increased approximately 12 percent by the very lowest method of calculation, and that has increased the costs of all manufacturers, processors, and distributors.

The parity price of every important agricultural product has increased 10 percent in the last 2 years, and thus costs have increased. But the OPA has refused to pass on that increase in costs in any ultimate retail price. The OPA has forced all manufacturers to absorb that difference. Yesterday the House of Representatives insisted upon increasing the allowance of its Members by \$2,500, and President Truman yesterday approved that course, because apparently he felt that Members of Congress represented such an extreme case of injustice that there should be exception, if you please, to the wage freeze formula in their favor.

Certainly we cannot claim any longer that we have adopted a freeze policy in this country. The only thing that is frozen today is the price of manufacturers and the retail price to the consumer. The attempt to hold that has created

such a squeeze that, as I showed yesterday, in many industries there is today a maximum price which requires industries to sell at a loss. That is as unjust as it is to pay Members of Congress only \$10,000 a year. It is something that should be corrected from the point of view of justice. But, more important than that, if we maintain the manufacturer's price, we cannot induce new people to go into business to make the products which can only be made at a loss. If such products are only one-fourth or one-fifth of the total, nevertheless such a situation reduces our capacity to put people to work; to put to work in this year 1945 the four or five million men who are going to be released from the Army and from their present employment.

Mr. President, I say that the OPA must be told, and OPA can be told by the adoption of the Thomas amendment or by the adoption of my amendment, as you choose, that that policy must be changed; that when costs are adjusted prices must also be adjusted or we cannot hope for a successful period of reconversion.

The amendments which are presented by the Senator from Oklahoma [Mr. THOMAS] and myself do no more than prescribe the original idea of the Price Control Act. The second section of that act clearly shows the intention that if costs are increased prices shall be increased, and the OPA has consistently disregarded that provision.

Furthermore, the proposal is not substantially different from the formula which OPA itself has announced for goods the manufacture of which has been suspended, which I read yesterday, which provides for adjusting upward on the basis of increase in cost. The difficulty is with other sections of the act, and the regular practice of the OPA shows that while it makes such a statement it actually intends, if it possibly can, to insist upon everything being sold at 1942 prices, in spite of increase in costs ranging from 10 to 30 percent. Certainly, if this is the policy of OPA, there is no reason that I can see why we should not write a provision into the law so that it will be definitely tied down. I am not satisfied to accept any longer the statement of OPA that it is going to correct the situation. With respect to meat, OPA has said that three times, and each time it has had to make another concession, because the first concession made was inadequate, and OPA was still dominated by the thought that there must be a freeze of prices.

In conclusion, I should like to read the statement made by Mr. J. A. Krug, the Chairman of the War Production Board, because he states the philosophy of the reconversion period, which I think must control prices just as much as it controls production. This appears in his official statement issued on May 27, the Krug report on the needs and methods of reconversion. Mr. Krug said:

Desirable though it may be to attempt to prevent temporary economic dislocations—

And that is perhaps what a slight increase in price may be called, a tempo-

rary economic dislocation, until we obtain full production—

Desirable though it may be to attempt to prevent temporary economic dislocations, the experience of those who have lived with these controls during the war clearly dictates that the controls are not suited to that job.

Also, we may say that the price policy is not fitted to the job of increasing production.

Moreover, reason and history indicate that, in any readjustment from a war- to a peacetime economy, temporary dislocations are inevitable.

We must not be stampeded by such dislocations into elaborate controls or special dispensations. Our economy is a jigsaw pattern of interlocking buyers and sellers, producers and consumers. The pieces of the jigsaw will move into place best if we give people scope and leeway—with a minimum of rules, regulations, and production controls.

He might well have said price control.

This is the statement of Mr. J. A. Krug, Chairman of the War Production Board, as to the policy which dominated the War Production Board in maintaining production controls in the reconversion period.

Finally, he said this:

The danger confronting us, as I see it, is that we will overlook the natural resilience of the economy—the capacity of manufacturers, wholesalers, and retailers to readapt themselves to changed conditions and hence quickly to utilize the resources released from munitions production. If we were to attempt in Washington to see that every manufacturer, wholesaler, or retailer got his exact share of released manpower or materials, we should be lost in a myriad of rules and regulations. We should get in the way of reconversion rather than speed it.

There is nothing which will so hamper business as the attempt to impose strict controls, controls which are difficult to understand, and in some cases impossible to conform to without actual loss of money, and, of course, in the case of small concerns, going out of business. I believe that in our price policy we should require the OPA to follow the philosophy which dominates the most important section of the administration, the War Production Board.

Mr. ELLENDER. Mr. President, I ask the indulgence of the Senate to hear me briefly with respect to the pending amendment. Before I proceed to a discussion of the amendment, however, I desire to refer to certain data that I have at hand and other that I placed in the RECORD on May 7 and May 15, when I presented some of my reasons for continuing price-control legislation for another 18 months.

To hear the distinguished Senator from Ohio [Mr. TAFT] and others of my colleagues speak, one would judge that bankruptcy faces many businesses throughout the country, and that unless the pending Thomas amendment or the Taft amendment is adopted by the Senate, we shall be faced with depressing conditions throughout the country. I do not believe that the financial status of industry for the past 4 years, when compared with the record of prewar years, will disclose any adverse condi-

tions. On the contrary, it will show enormous profits in every line of industry, and there is no reason for one to be apprehensive of the future business of this country should the OPA be extended without amendments.

Judging from the statements made by the Senator from Ohio [Mr. TAFT], it seems to me that he is arguing and trying to show that higher prices means more production. That is not the case, as borne out by impartial figures produced by me on May 7 in a speech delivered by me on this floor. I made a comparison of the rise in prices during World War I with the increases which occurred during World War II, and also compared production during the two wars. This is the picture:

Using 100 in each case when the war started, for the years 1914 and 1939, respectively, prices increased 83 percent from 1914 to 1918. From 1939 to 1944 they increased 21 percent.

Let us see what the effect was on production. Using 100 as a figure for 1914 and 1939, respectively, the years in which the two World Wars started, production increased 25 percent during World War I. It had increased to 26 percent in 1917, but it went down 1 percent in 1918.

Let us contrast that with what happened during this war. Using the figure of 100 for 1939, we see that in 1944 production increased 116 percent, in comparison with a mealy 25 percent during World War I. Mr. President, there is no question in my mind that that enormous increase in production has been caused to a large extent by a stabilized economy brought about through price and wage stabilization.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I would prefer not to yield at this point. I shall be glad to yield in a few minutes. I should like to follow through with the subject I am now discussing.

As I indicated a moment ago, to hear some of my distinguished colleagues argue, one would judge that the profits of business have been on the down grade. Let us see what the record shows. I shall cite figures from Moody's Industrials, a publication which is issued in book form. These figures show the gain over peacetime profits of 1589 manufacturing concerns.

This table considers manufacturing as a whole, and then the different kinds of manufacturing, and shows the increase from the prewar period (average 1936-39) to the present in some cases. The figures also demonstrate the increases from the prewar period up to 1943.

The increase in the case of all manufacturing is 256 percent; tobacco products, 36 percent; petroleum and coal, 113 percent; chemicals, 142 percent.

Yesterday my good friend from Ohio [Mr. TAFT] complained about the profits in the furniture and finished lumber industry. The increase in that industry, up to 1943, was 291 percent.

Mr. TAFT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOY in the chair). Does the Senator from

Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. TAFT. With what year is that figure compared?

Mr. ELLENDER. That figure represents the increase during 1943.

Mr. TAFT. 291 percent over what?

Mr. ELLENDER. Over the average period 1936 to 1939.

Mr. TAFT. Of course, they lost money in the period from 1936 to 1939, so there is no difficulty in showing an increase of 291 percent.

Mr. ELLENDER. This is a comparison of conditions before the war with those during the war; and the figures show a large increase in profits. To continue from the Moody statistics: Paper and allied products, 304 percent; textile-mill production, 503 percent. As the Senator pointed out, it may be that some plants lost money during the period 1936-39, but no one would say they are now losing money, with an increase of 503 percent over the 1936-39 period.

Reverting to our industrial production, of which all of us are proud, and which has made it possible for us not only to prepare ourselves for war but to aid our allies, so that the war could be won sooner: Using 100 for the production in the 1935-39 period, in 1920 it was 75 percent; in 1929, 110 percent; in 1937, 113 percent; in 1939, 109 percent; in 1940, 125 percent. That was just about the time when we started our defense production. In 1941 it was 162 percent. Then, when we got in the war and when price controls were placed in effect, in 1942, it was 199 percent. In 1943 it was 239 percent, and in 1944, 235 percent.

Mr. WHERRY. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I now yield to the Senator.

Mr. WHERRY. What do the figures the Senator has been citing prove? In answering my question, I should like to suggest most kindly to the distinguished Senator that our war debt has been increased to \$300,000,000,000, and I should like to know whether the figures the Senator has been citing include it. Do the figures the Senator has been stating for our benefit reflect that increase? Anyone can pick out any 3- or 4-year period when we spent \$100,000,000,000, and can show an increase in all industrial production in this country. Certainly that is not a basis for the conclusion that the CPA legislation should continue as it is, without amendment. Certainly the Senator cannot be contending that that has anything to do with a determination by the Senate whether the country needs to have OPA legislation amended, rather than to have it continue upon a basis on which only industry can operate at a profit.

Mr. ELLENDER. Well, Mr. President, the contention has been made on the Senate floor in the last several days that prices should be increased, and that an increase in prices will result in increased production. I have just pointed out that that was not the case during World War

I. Higher prices do not bring about increased production.

Mr. WHERRY. Mr. President, let me ask the Senator whether the Government uses a standard of rising prices in order to obtain production. Through 73 corporations the Government spent \$100,000,000,000 last year. What do the Senator's figures prove when we come to the point whether it helps all industry?

Mr. ELLENDER. The figures I have cited and those that I propose to produce will show that business is in the best of health and in fact in the best condition it has ever been.

Mr. WHERRY. That is because the Government makes the contracts and does not use the OPA standards when doing so. That is the reason. Does the Senator contend that there is a surplus of food products in the country at this time?

Mr. ELLENDER. Well—

Mr. WHERRY. Yes; the Senator must pause there, because obviously there is a shortage of food products.

Mr. ELLENDER. Just a moment. I desire to try to answer the two questions propounded to me by the Senator. Price controls are applied to all industries including steel, copper, and other metals. Now as to food products, I did not intend to discuss the issue at this time, but let me say to the distinguished Senator that by contrast there is a large increase in food production; yes. I wish to state to the Senator that, as I have pointed out in debate on several occasions, when we compare the 1944 food production with prewar production, even though we have at present 6,000,000 less farmers than in prewar days, we find that we have been able to produce one-third more food in this country. Does the Senator question that statement?

Mr. WHERRY. I deny that there is a maximum food production in this country. On the other hand, I wish to suggest to the Senator—

Mr. ELLENDER. I am asking whether the Senator will deny—

Mr. WHERRY. I wish to suggest to the Senator that there is a scarcity of food in this country, to such an extent that unless the situation is materially improved we shall have plenty of trouble within the next 6 months.

Mr. ELLENDER. Oh, I have heard similar statements ever so often. Famines were predicted 2 years ago, but our food production has been on a steady increase as to most products. I contend that if the Thomas amendment and the Taft amendment are adopted we shall have less food. Why? Because by those amendments the farmers will not be taken care of at all, and their cost of production will be tremendously increased, as I will endeavor to show in the course of my remarks. The amendments help the processors and manufacturers and overlook the farmers and other producers of raw materials.

Mr. WHERRY. Mr. President—

Mr. ELLENDER. I am sorry; I do not wish to go into that phase of the matter at the moment any further. I prefer to follow through with the line of

thought I started with and when I reach that part of my speech dealing with food production I shall be glad to yield to the Senator.

Mr. WHERRY. The Senator does not wish to yield any further; is that correct?

Mr. ELLENDER. Yes; I wish to yield. If the Senator will direct his questions to the subject I am now discussing, I shall be glad to yield.

Mr. WHERRY. I have gathered from the Senator's remarks that he is attempting to show that there is no need for any amendments to the OPA legislation because we are getting plenty of production all the way along the line, and the Senator has been citing figures in order to compare the present situation with the situation in the period from 1936 to 1939, years when there was a substantial decrease in business, and in some cases very little business. The Senator has compared those years with the war years when the Government has done most of the business. I say that does not prove anything.

Mr. ELLENDER. Well, Mr. President—

Mr. WHERRY. And then, Mr. President, I asked the Senator—

Mr. LUCAS. Mr. President, a point of order.

Mr. WHERRY. I asked the Senator what the situation was in connection with food production. He said there has been an increase of one-third. I should like to suggest to the Senator that he consider the letter which Chester Bowles wrote to the distinguished senior Senator from Oklahoma [Mr. THOMAS], which may be found on page 5703 of the CONGRESSIONAL RECORD, June 7, 1945. Here is what he said:

Recognizing the critical shortage of meat and the comparative need of avoiding any impediment to maximum production and even distribution—

And so forth and so on.

So Mr. Bowles admits there is a scarcity of food.

Let me quote from the press for this morning:

Cafe men plan meatless menus.

They are going to have a meeting next Monday, and they plan to attempt to stretch the reduced ration points to cover the 2,000,000 meals a day served in Washington.

And here is a United Press report from New York City:

THREE THOUSAND (WITH POINTS) BESIEGE BROOKLYN MARKET (WITH MEAT!)

NEW YORK, June 7.—Five abreast, the crowd stretched for several blocks. Police estimated it at 3,000 persons.

George Lazarus, market manager, estimated that 1,000 persons would be disappointed.

Yet, the Senator from Louisiana stands on the floor of the Senate and says we do not need to try to improve the food-supply situation, because, so the Senator has said, we have had one-third increase in the production of food.

Mr. ELLENDER. Mr. President, I have not said anything of the sort, and the

printed RECORD will disprove the Senator's statement. The great trouble with the Senator is that he is obsessed with the subject of meat production. I admit a lack of equitable distribution of our present supplies, but I deny that we have not an increased production.

Mr. WHERRY. Well, Mr. President—

Mr. ELLENDER. Mr. President, I will gladly yield to any Senator who wishes to ask a question relative to the subject of comparative profits in business, which I am now discussing. I said at the beginning of my remarks that I am trying to show that business as a whole is not as badly off as some of my distinguished colleagues have been saying it is. Most are advocating amendments to the Price Control Act so as to permit greater profits to an already thriving economy.

Mr. WHERRY. Does the Senator refer to the production of meat and sugar and other foods? Just consider the Senator's statement—

Mr. LUCAS. Mr. President, a point of order.

Mr. WHERRY. Mr. President, will the Senator yield to me? I appreciate the fact that the distinguished junior Senator from Louisiana—

Mr. ELLENDER. Mr. President, I shall answer the Senator's question in a few minutes, if he will just bear with me. I have stated on several occasions that I will gladly engage the Senator in debate if and when I discuss food production.

Mr. HATCH. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. HATCH. I wish to join in the point of order made by the Senator from Illinois. I desire to insist that the debate be conducted according to the rules of the Senate. The Senators know that under the rules of the Senate any Senator who desires to have another Senator yield to him should first address the Chair, and the Senator having the floor should yield, if he so desires.

The PRESIDING OFFICER. The Chair requests that all Senators observe the rule.

Mr. WHERRY. Mr. President, will the Senator yield to me for a statement?

Mr. ELLENDER. I yield for a question relative to what I am discussing, namely, the profits of business as a whole.

Mr. WHERRY. I will conform to the rules of the Senate. I asked the Senator whether he would yield. I do not wish to infringe upon the rules. I realize the seriousness with which the Senator from Louisiana is presenting his argument. We have talked before about the Office of Price Administration and legislation relating to it. I wish to have the Senator know that I ask these questions in all sincerity. When I first asked the Senator to yield, he declined, and I sat down. Later I again asked him to yield, and then he yielded. I have asked three or four questions. I do not wish to impose upon the Senator's time, and I do not wish to attempt to take advantage of any rule of the Senate. I make that statement for the RECORD.

I appreciate the ability and intelligence and good faith of the Senator from Louisiana, and the faith he has in the Office of Price Administration and the legislation relating to it which has been enacted. He sincerely believes in it. But as he proceeded with his statement, I asked him to yield, because it is very difficult to remember questions which one would have liked to ask in connection with points which were made by a Senator during the course of his remarks. I would appreciate it very much if the Senator would, as he goes along, give some of us an opportunity to ask questions, because after all I am very much interested in the production of food, and I think the Senator realizes that as much as any other Senator on this floor does.

Mr. ELLENDER. It was the Senator from Nebraska who raised the question of food production. I have discussed the issue so often on the floor of the Senate that I do not think it apropos to burden the RECORD with another detailed discussion on the subject.

When I was interrupted by the distinguished Senator from Nebraska I was attempting to answer a statement made yesterday by the distinguished Senator from Ohio [Mr. TAFT] in respect to profits in the manufacture of furniture and other finished lumber products. I stated that the profits in 1943, in contrast with those of the period from 1936 to 1939, were 291 percent. Yesterday I got in touch with the OPA in order to ascertain if it had any recent figures in respect to the matter insofar as 1944 was concerned. As I have already indicated, the figures given me as to furniture and finished lumber for 1943 were taken from Moody's Industries. The OPA was not able to account for all manufacturers for 1944, but a fair sample of 12 operators from all over the country was considered. The information is as follows:

During the period of 1936 and 1937 the average of dollar profits on sales for these 12 operators was \$2,900,000, and in 1944 the dollar profits had risen to \$9,400,000. During the period 1939 to 1941 the percentage of profit on sales was 8.9 percent. In 1944 it was 10.2 percent.

Yet, according to the statement of the distinguished Senator from Ohio, the manufacturers want more than a 10 percent profit on sales.

The earnings on the basis of net worth of the concerns to which I have referred from 1939 to 1941 were 18.4 percent. In 1944 they were 27.9 percent.

Yet, Mr. President, there are Members of the Senate who are asking that prices be revised so that greater profits may be afforded to those engaged in these industries.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. In order to aid in proving the Senator's point, I wish to read into the RECORD a statement of facts taken from Dun & Bradstreet.

In 1944 Dun & Bradstreet recorded only 1,222 business failures. The number in

1939 was 14,700, and the number in the black year of 1929 was 22,900. If there is any evidence of hardship being experienced in connection with the absence of profits in industry at the present time, the record of Dun & Bradstreet does not show it.

Mr. ELLENDER. I may say to the Senator from Illinois that within a few moments I shall attempt to address myself to the subject to which he has referred.

Mr. LUCAS. I regret having intruded upon the Senator's time, but I did so in order to present for the RECORD the facts and figures which I thought were relevant to the subject being discussed.

Mr. ELLENDER. I thank the Senator, and I wish to say that I am very appreciative of his help.

Mr. LUCAS. I thought the information which I gave was material and competent evidence to be submitted at this point in the Senator's argument. The plain and unvarnished truth is that in all its history business was never in better condition than it is at this very moment. The lamentations of the Senator from Ohio [Mr. TAFT] in regard to the industries which he asserts are about to go into bankruptcy does not square with the facts if the statistics which I have been quoting are correct.

Mr. ELLENDER. What the Senator from Illinois has stated is what I have been trying to develop before the Senate.

Mr. President, I now propose to discuss some of the profits which are being made in the steel industry.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. Will the distinguished Senator from Louisiana answer me this question: If there has been the tremendous increase in profits all along the line which the Senator says there has been, why is there such a scarcity in meat products?

Mr. ELLENDER. The reason is very simple, if the Senator will bear this in mind: All the enormous profits about which I have been speaking have made the country tremendously prosperous. Our people have a huge buying power. Years ago when our meat production was approximately 150 pounds a person, a poor devil did not have the money with which to buy his 150 pounds. Today he has it. He is now financially able and eager to buy his share. To some extent that should answer the Senator's inquiry as to why some of us are not obtaining as much meat as we would like. The meat which is now available is being distributed according to the point system, as the Senator knows, and almost every one is entitled and able to buy his share of meat, as I have just indicated. Let us also not forget that on the fighting fronts today there are more than 10,000,000 soldiers and sailors in our Army and Navy. They are all big meat eaters, and we are giving to them all the meat that they require. We are also called upon to feed thousands of prisoners of war and as our victorious armies march

on to victory in Europe we must care for thousands of conquered peoples. At home we are probably being required to stint ourselves, but we should not gripe about that. As I stated a while ago we are suffering from a maldistribution of our meat supplies due largely to black-marketing, and I do believe that every effort is being made to alleviate the situation. With the help of our law abiding citizens we should stamp out black marketing to a very large extent.

Mr. WHERRY. Will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. WHERRY. Inasmuch as the Senator has not answered my first question, I should like to ask another question.

Today we have in the United States a surplus of 10,000,000 head of cattle.

Mr. ELLENDER. The surplus is greater than that.

Mr. WHERRY. Last year we did not feed as many cattle as we fed in—

Mr. ELLENDER. When the Senator says 10,000,000 cattle, what period of time is he taking into consideration?

Mr. WHERRY. I am speaking of the present time. Let us take into consideration also the 10-year average prior to the war.

Mr. ELLENDER. I think the Senator is mistaken.

Mr. WHERRY. What does the Senator say the surplus of cattle is?

Mr. ELLENDER. During prewar years the average for the years 1935-39 was, as I recall 66,700,000 head.

Mr. WHERRY. The number of cattle on the range was approximately 67,000,000.

Mr. ELLENDER. Last year the number was almost 82,000,000, and on January 1 of this year it was still around 82,000,000.

Mr. WHERRY. Very well; let us take the Senator's figures.

Mr. ELLENDER. Yes.

Mr. WHERRY. That number of cattle are on the hoof. Why do we not have that meat in the ice box?

Mr. ELLENDER. What?

Mr. WHERRY. I ask the Senator to answer the question. If his argument is correct, it should indicate that, with all the money which we have, and with all the increased profits which the Senator says industries are making, it should be profitable to feed cattle, and therefore the meat counters should be full of meat and everybody should be buying it.

Mr. ELLENDER. If the Senator from Nebraska will be patient with me I will again try to explain the situation to him. I believe that today, as in the past, the OPA is doing all that it can do equitably to distribute the meat which is available. The Senator well knows that in the latter part of 1943 and in the early part of 1944 there was such an enormous quantity of cattle and hogs on hand, particularly hogs, that all our packing plants were working to capacity. The Senator knows that to be true. Of course, it was very profitable, as I shall point out in a few minutes, to be engaged in the packing industry. I wish the Senator would be

patient with me and wait until I can get to this particular phase of my remarks. When I reach that subject I will gladly answer any question which the Senator may wish to ask. I may not be able to please him. It seems that he did not agree with me a little while ago when I told him that with 6,000,000 fewer farmers we are producing a third more food. He disagrees with that.

Mr. LUCAS. Mr. President, will the Senator yield for one observation?

Mr. ELLENDER. I yield.

Mr. LUCAS. The debate has been proceeding on the theory that OPA is responsible for meat production in this country. The OPA has not a single thing to do with the production of meat. That is a War Food Administration duty. It was Judge Vinson who gave the cattle producers an increase in the price of cattle; it was Judge Jones, of the War Food Administrator, who fixed the support price for hogs. As I understand, the War Food Administration is the agency of the Government which is responsible for the production of meats in this country.

Here is a statement which I think may partially answer the Senator from Nebraska, although I know that, probably, no statement could satisfy him entirely. I now refer to the fact shown by the agricultural statistics which I obtained from the department. Everybody knows that 30 percent of the meat supply of the United States is going to our armed forces. That is No. 1. Obviously, if 30 percent is going to the armed forces and in addition some is going under lend-lease, that brings the civilian supply of meat down to some extent.

As the Senator from Louisiana a moment ago said, Senators forget that the people of the United States are eating more meat per person—and no one disputes that—than they ever consumed in the history of this Nation. As a whole, the American people are better fed at this moment than at any time in our entire history. Why is that? It is said we are not producing sufficient. I do not know whether the figures I have are correct. Some persons use the agricultural statistics when the figures conform to their ideas, at other times they ignore them. I shall state, however, what the statistics show.

Meat production in 1945, according to the statistics of the Agriculture Department, will be 38 percent above the production for the period 1935 to 1939. Beef production is at an all-time peak, 12 percent above last year's production, which was the previous peak year. In 1945 it will run 38 percent above the average production for 1935-39. We shall in 1945 produce 2,400,000,000 more pounds of beef than we produced before the war.

Pork production in 1945 was 2,190,000,000 above the production for the 1935-39 period. Production was up 42 percent. It will, however, be down a third from last year's peak production. Why is that? It is because the hog population, in the great run of last year rose 91 percent from prewar levels. Think of

that. Think of producing in this country last year 91 percent more hogs than we ever produced during the prewar years. Yet no producer suffered as a result of the hog prices. When we had the greatest hog crop in this country, even though prices went slightly below parity, that price remained only a short period of time. Today the hog farmer is getting more than parity, just as the cattle farmer is getting more than parity and the sheep farmer is getting more than parity for the animals they produce.

It is not an agricultural problem at all. Neither one of the amendments before the Senate has anything to do with strictly an agricultural problem. The amendments affect processors and other industries throughout the country. To say that the pending amendment is a farm amendment is not in accordance with the facts.

The hog population, as I said, rose 91 percent. Feed production at that time rose only 36 percent. So the hog population had to come down. OPA had nothing to do with it. And yet we hear this constant condemnation of OPA throughout the press and on the floor of the Senate on the question of hog production.

I have not agreed with OPA in all the things it has done, but I know it has had the toughest job of any agency of the Government, and it has been an agency criticized by Senators in the most cases for home consumption. This agency has been constantly condemned and criticized, although it has held the line in a period when there was greater danger of inflation than at any other time in all our history as a nation.

Of course they have done wrong many times. Human nature is subject to frailty and error; no one is perfect in this world. I remember a great Senator who knew more about price control perhaps than any other Member of this body, Senator Prentiss Brown, who was appointed Administrator of OPA. He did not remain there very long, Mr. President. That is a pretty rough job, and the OPA has taken plenty of punishment at the hands of Senators. I see on the floor the distinguished Senator from Oklahoma [Mr. MOORE], who has been a constant condemnor of OPA. It would be interesting to see him, great businessman that he is, operating and managing OPA. Senators who constantly condemn and criticize should, once in a while, say something good about an agency which has, in my humble opinion, done the constructive job the OPA has done. Political sniping should cease.

The market price for hogs last year fell to \$12.50 per hundredweight, which was slightly under parity, but \$12.50 is a pretty good price for hogs at any time. I come from the Corn Belt section, and I understand what it means to get \$12.50 for hogs when I look back at the prices for which hogs were selling a few years before. Yet after that heavier run of hogs is over, we find them today hitting

the ceiling price. The OPA ceiling price at that time was \$14.75, and I think the price is around that figure at the present time.

Mr. THOMAS of Oklahoma. Mr. President, may I ask the Senator from Illinois a question?

Mr. ELLENDER. Yes.

Mr. LUCAS. I have not finished. I desire to make my statement and I shall be through.

Mr. ELLENDER. Very well. I yield to the Senator from Illinois for that purpose. I wish to say to my good friend from Illinois that he is making my speech as to meat and I do not propose to again cover the subject.

Mr. LUCAS. The OPA set a ceiling of \$1.14 on corn. There were many who did not want that done. They wanted the price of corn to be unrestricted; they wanted corn and every other commodity to be sold according to the law of supply and demand, just as the cattle growers wanted it done from the beginning in the case of cattle.

I listened last year to a lawyer from Texas representing the cattle interests before our committee. He asked the agricultural committee to let the law of supply and demand operate so far as cattle were concerned. Cattle! That is what we have heard all the time. Many persons have their perspectives confined to the cattle pen in connection with a great problem that affects 137,000,000 people. I say if the Thomas amendment and the Taft amendment are adopted by the Senate, we can kiss price control good-by, and, with the billions of dollars that are now in the pockets and bank accounts of civilians, who are ready to buy anything and everything, we will see an era of inflation which will completely wreck price control.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, as I have just indicated the Senator from Illinois [Mr. LUCAS] is delivering my speech, and I do not mind yielding, but hereafter I shall yield only for a question.

Mr. THOMAS of Oklahoma. Will the Senator yield that I may ask the Senator from Illinois a question?

Mr. ELLENDER. I yield for that purpose.

Mr. THOMAS of Oklahoma. It has been the custom on this floor for over a century that when one Senator refers to another Senator by name, the Senator referred to is accorded the courtesy, if he desires, of replying. The Senator mentioned me by name, and then refused to yield.

Mr. President, I now desire to ask the Senator from Illinois a question. Does the Senator approve of the price ceilings, the rules and regulations in force at the orders of OPA, at the time the Senate Committee on Agriculture and Forestry, of which he is a member, started the investigation some 3 months ago? I yield to him to reply.

Mr. LUCAS. Mr. President, I did not directly refer to or ask the Senator from

Oklahoma any question, but he has asked me one. If he wants an answer I shall be glad to give him one.

Mr. ELLENDER. I yield for that purpose.

Mr. LUCAS. I took part in those hearings. I was a member of the Committee on Agriculture and Forestry, but not of the subcommittee, and at the very kind request of the distinguished and able Senator from Oklahoma, for whom I have a very high regard, I attended a great number of the hearings.

I did not agree with the OPA, as I said a while ago, as to their method of paying subsidies to the packers. I do not agree with them now as to some things, and I shall continue to disagree with them, but I am not willing to vote to wreck the OPA program in order to satisfy a few individuals in this country or to satisfy my own desires dealing with a few problems.

I went along in those hearings and did everything I could in order to get the slaughterers more money through the subsidy route, and I think they got a better proposition as a result of what we did, but I am not going to vote for an amendment such as that the Senator from Oklahoma has offered, which, in my opinion, will definitely break down price control. There are not enough men in the Army to get the facts for the OPA upon which they can absolutely ascertain and predicate the costs in order to enable the industry to have a profit. Under the amendment it is necessary to guarantee something to every industry, whether it is efficient or inefficient, and if I were Administrator of the OPA and was handed the Thomas and Taft amendments, I would close up shop, I would not give a single subsidy to any individual or industry until I knew the facts from their records, not what is before the OPA now, but the records brought up to date. It is provided it shall be unlawful to violate the proposal submitted, and someone might go to jail if he violated the amendments. OPA officials cannot afford to take that chance. The Administration will break down. That seems to be what a lot of folks desire.

I do not know whether I have answered the Senator's question or not.

Mr. THOMAS of Oklahoma. Will the Senator from Louisiana yield to me further?

Mr. ELLENDER. I yield.

Mr. THOMAS of Oklahoma. The investigation was ordered by vote of the Senate. Either the OPA was wrong when the investigation was begun or it is wrong now. Since the hearing started the OPA has changed its rules and regulations at least three times. My question to the Senator was: Was OPA right when the investigation was started? If the answer should be "yes," then OPA must be wrong now. If OPA was in error when the investigation was started, then no Senator can be justly criticized for having pointed out the error, and for making an effort to secure a correction.

Mr. ELLENDER. Mr. President, in further answer to the question pro-

pounded by the distinguished Senator from Oklahoma to the Senator from Illinois, I would say that the OPA has been constantly at work in an effort to help the meat processors. It is not only in the last 4 or 5 months, but it has a staff that is constantly at work trying to adjust prices for the slaughterers and processors. There is no doubt, as the distinguished Senator from Oklahoma [Mr. THOMAS] has just indicated, that some corrections by the OPA have been made before, during, and after the hearings held before the Committee on Agriculture and Forestry of which he is chairman.

I now yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I appreciate the Senator yielding to me now, but I shall decline to speak further in his time because he has stated to me on the floor that he would answer my question relative to the fact that there are not as many cattle being produced as there were.

The statement made by the distinguished Senator from Illinois of course is just a statement in defense of OPA which he had a perfect right to make. As I understood the Senator from Louisiana he was attempting to prove that because of the increase in price in the industries all the way along the line we have had better times, that people were eating meat. I want the Senator to show me, if he can—and I appreciate his interest—that there has been an increase in the production of food, that there has been an increase in the feeding of cattle, that there has been an increase in the feeding of hogs and of sheep, that we have plenty of meat, and that the ones who buy it can get it without difficulty, that there is no black market, that everything is operating on the profit basis. The increased profits the Senator has suggested are tremendous according to his statement, during the period of the war, when we have increased the debt to \$300,000,000,000. It is my contention that these things have not been happening.

Mr. ELLENDER. The Senator knows well that in my remarks I did not intend a discussion about meat or food production, but I was merely making an attempt in my own way to answer the distinguished Senator from Ohio. It was the Senator from Nebraska who raised the question of meat and food production, as I previously indicated. Judging from what the Senator from Ohio said, I repeat, business was going to the dogs, and he was advocating amendments to the Price Control Act which would hike prices, which, in turn, would result in more production. That was not the situation in World War I, in contrast to World War II. I am speaking of our industrial and agricultural production generally. I am looking into the small end of the telescope and am attempting to visualize the picture as a whole. I am not attempting to look through the big end of the telescope and center my efforts on our present meat situation, as the distinguished Sen-

ator from Nebraska [Mr. WHERRY] seems to want to do. Considering our food production as a whole, we have a sufficient amount on hand and in production to keep us in good health. No one is suffering from a lack of food in this country. I have not seen any people who could not walk around or who had to get a doctor to inject strength-giving liquids into them. They have been able to take it. Those in good health are all nourished properly and show no signs of starvation. Has the Senator come in contact with anyone suffering or on the verge of starvation?

Mr. WHERRY. If the Senator is asking me that question, I simply reply that that is always the contention of those who believe in the OPA legislation. I contend, and I want the Senator to know it—

Mr. ELLENDER. Mr. President—

Mr. WHERRY. The Senator has asked me a question; let me answer it.

Mr. ELLENDER. Proceed.

Mr. WHERRY. I contend that there is little meat that is edible on the meat counters of this country; that there is a pork shortage beyond description, and that there is this unprecedented demand. It is not a question of whether we have the cattle or the corn, but it is a question whether or not the price levels which have been established and put into operation by OPA have permitted the proper functioning on a profit basis so that we could obtain the production we need.

Mr. ELLENDER. The Senator again centers on meat when I asked him a simple question as to whether he has seen anyone suffering or on the verge of starvation. Be that as it may, I desire to ask the Senator another question.

Mr. WHERRY. Have I answered the question the Senator just asked me?

Mr. ELLENDER. I hardly think so, but let me ask the Senator this question.

Mr. WHERRY. Yes.

Mr. ELLENDER. The Senator has no doubt studied the Thomas amendment.

Mr. WHERRY. Yes.

Mr. ELLENDER. And the Taft amendment.

Mr. WHERRY. Yes.

Mr. ELLENDER. Would their adoption bring about more hog production, cattle production, and, in fact, more meat production?

Mr. WHERRY. The Senator has asked a question, and I should like to have the time necessary to reply. Such proposed amendments provide for a reasonable profit margin. Expected profit is the incentive which will result in production and production is unquestionably the one thing now needed to augment price controls.

I would agree with the Senator, because I know he has made a study of the OPA legislation, he is intellectual, and knows what he is talking about—I would agree that there was on the statute books, up until the decision in the Armour case, ample legislation, if properly administered, to enable OPA to establish price levels that would have made it profitable to farmers to produce hogs and cattle.

Now that the Armour case has been decided by the Supreme Court, we have no law making such provision as is attempted to be furnished by the clarifying amendment of the Senator from Oklahoma. If that amendment shall be agreed to, then we will conform to what was incorporated in the letter of the Administrator of the Price Administration sent to the Senator from Oklahoma [Mr. THOMAS] yesterday, and which appears in the CONGRESSIONAL RECORD, in which he stated that in the future they would do the very thing, in the administration of the act, that the Senator from Oklahoma [Mr. THOMAS] included in his amendment.

Mr. ELLENDER. They have been doing it all along. That is nothing new.

Mr. WHERRY. Then I ask the Senator why it is that cattle feeding is not continuing on the basis on which it should continue in this economy of scarcity?

Mr. ELLENDER. The Senator knows very well that in recent weeks they have added a subsidy to the cattle feeder—I think of 50 cents—is it not? That may not be enough, and if it can be shown it is not enough, of course, all we need do is to raise it.

The point is this: Congress has decided to use a system of subsidies in order to control prices and maintain our economy. What some Senators now desire to do is to get away from the subsidy method and let prices increase. If ever the time comes when such a thing occurs, then, so far as I am concerned, I shall not vote for another nickel of subsidies. If it is necessary to increase prices, let that be done, but I shall not vote for any subsidies and at the same time permit prices of subsidized commodities to go up. That is what will occur if the Thomas amendment is adopted. The Senator has not answered my question as to whether the Thomas amendment or the Taft amendment will increase farm production. The amendments favor processors and manufacturers and will help to increase their profits.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. ELLENDER. In a moment. Before the Senator gets through I want him to point out one sentence in either the Thomas amendment or the Taft amendment that will, if either amendment is adopted, in any wise improve the station of the farmers of this Nation. My contention is that the adoption of either amendment will result in increasing their costs, it will increase their food bills, their clothing bills, their labor cost, and, in fact, the cost of everything they use and need for their farm operations. The Senator well knows that if such a thing happens the farmers will be the next group to come to OPA and say—"Raise our prices." If that occurs processors will come back to OPA and labor will come to OPA and ask for increases, and we will find ourselves in a spiral of inflation, and God only knows what will then happen. Our present dollar may in the course of not many months be worth

only as much as a Chinaman's yen is now worth. I dread the day when our printing presses may be on the go. I would much prefer that some of us suffer from the lack of an ample diet than to open the doors that will lead to uncontrolled inflation. It is then that our people will really suffer.

Mr. WHERRY. Will the Senator from Louisiana yield to me now?

Mr. ELLENDER. Yes.

Mr. WHERRY. I wish further to answer the Senator's question as to whether the adoption of the Thomas amendment or the Taft amendment would result in doing what I should like to have done relative to increased production of livestock—and when I speak of increased production of livestock I mean also meat on the counter. If the Senator will permit me I should like completely to answer the question, because he has asked it of me. I said a moment ago that I felt that prior to the decision in the Armour case we did have a law on the subject, but, by reason of the fact that the Price Administrator did not act in accordance with that law, we were not getting the numbers of cattle in the feed lots we were entitled to have under the OPA legislation which the Senator from Louisiana himself helped to pass. The amendment proposed by the Senator from Oklahoma clarifies the very thing that was set out in the letter written by Administrator Chester Bowles yesterday, which the distinguished Senator from Oklahoma [Mr. THOMAS] placed in the RECORD, which was that if any price is set, it must be set so it is profitable to all segments of the industry, and OPA must figure that profit to particular groups of the industry rather than to the industry as a whole. Mr. Bowles said in the letter that he would do that. If he will do so then the amendment becomes only a clarifying amendment, and what I understand the Senator from Oklahoma [Mr. THOMAS] attempts to do by the amendment is to clarify the Stabilization Act with reference to cattle and calves, hogs, lambs, and sheep; that each be separately considered on a profitable basis.

Mr. ELLENDER. Mr. President, that is not what the Thomas amendment does as I have previously indicated. It helps processors and manufacturers of agricultural commodities.

Mr. WHERRY. Will the Senator yield for a further answer?

Mr. ELLENDER. I yield.

Mr. WHERRY. The Senator said he believes in subsidies. I know that has been the Senator's position since I have been in the Senate. He conscientiously believes in subsidies. He has a right so to believe. But if we are to pay subsidies I should like to ask how the increase, resulting from the subsidy, would affect the cattle feeder? I understood from the chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER], who is now in the Senate Chamber, before I went to Nebraska a few days ago, an attempt would be made to take care of the situation by

means of a subsidy. When I returned I found out that the only subsidy that is paid to cattle feeders is 50 cents a hundred. I wish to point out to the distinguished chairman of the Committee on Banking and Currency that on a 1,200-pound steer that is only \$6. Do Senators think that a subsidy of 50 cents a hundred is an inducement to a man who is so hard pressed now because of the situation with respect to the feeding of cattle—that a subsidy of 50 cents a hundred, which would mean \$6 on a steer weighing 1,200 pounds, is a sufficient inducement for him to feed cattle in the feed lot? The total subsidy paid on a steer weighing 1,200 pounds is \$6, as I stated. Yet the total subsidy paid on that 1,200-pound steer—and I bring this to the attention of the distinguished Senator from Louisiana—is \$51.60. Fifty-one dollars and sixty cents is paid to the processors and all those who handle the product afterward. Of that, only 50 cents a hundred goes to the one who produces the calf and fully feeds the steer and gets his meat to the meat counter.

I ask in all fairness whether Senators think such a subsidy will result in increase in feeding of cattle on the feed lots? The feeding of cattle and hogs on the feed lots depends upon whether it can be done profitably or not. The only answer to that question is "No." That is not a sufficient subsidy to achieve such a purpose. If a subsidy is to be given, it should be a sufficient subsidy to attract the cattle to the feed lots.

Mr. ELLENDER. Let us increase the subsidy if it is necessary to do so. The point is that we cannot at this moment afford to abandon our subsidy program and let higher prices control. That is the point I have emphasized. I say that in all earnestness, and I shall help all I know how to increase the subsidy if that is necessary. If 50 cents is not sufficient, let us give more. But let us not permit the price of beef to go up 3 or 4 cents in order to accomplish the purpose we seek to rectify.

Mr. WHERRY. Will the Senator yield further?

Mr. ELLENDER. I do not mind yielding again, but, as my colleagues will soon find out, it seems to me all I have to say has been anticipated, first by the distinguished Senator from Nebraska—

Mr. WHERRY. I am sorry.

Mr. ELLENDER. And then by the distinguished Senator from Illinois. I will find myself repeating probably what other Senators have said. I do not mind yielding. I am glad to stir up a little discussion. My hope is that the discussion will center on the two amendments. Let us determine the effect of the two amendments on production.

Mr. WHERRY. Will the Senator yield further?

Mr. ELLENDER. Yes.

Mr. WHERRY. My answer is that these two amendments will do the very thing necessary to be done, because they deal with the price levels which are established. The levels have to be lawful levels. If the Senate adopts the Thomas amendment—

Mr. ELLENDER. But the amendment does not do that. That is simply wishful thinking on the part of the Senator, and if he reads the amendment he will find out that it means that reasonable profits must be allowed to every processor—not to take a sample of a dozen or so processors—but every processor must be allowed a reasonable profit on every major product he manufactures. As I interpret the Thomas amendment it shall be unlawful for OPA to maintain any prices unless the OPA examines the books of a processor and finds out what his costs are, and after the costs are determined, give him a reasonable profit on each major product he produces. That is the purpose of the Thomas amendment.

Mr. WHERRY. The Senator from Louisiana broke in before I really had a chance to answer him. The Thomas amendment applies particularly to livestock and agricultural products. The Taft amendment deals with all industry. I am quite satisfied that the clarifying amendments offered by the distinguished Senators from Oklahoma and Ohio will give us who are cattle feeders an opportunity to show the over-all feeding charges, what it takes to buy the cattle, what it takes to feed them, and the price we get as set by the Office of Price Administration.

I wish the distinguished Senator from Illinois were present in the Senate Chamber at the moment. The testimony before the subcommittee of which the Senator is a member showed that the top price the packer could pay was \$16.51 for AA feeder cattle. The price we have to pay for those cattle today in the open market is \$13.50. When you get the cattle laid down and have paid your freight charges and commission fees the price is \$14.25. As the result the feeders who have the corn are not buying those cattle, they are not placing them in the feed lots, because there is not a margin of profit. A subsidy of 50 cents a hundred will not provide a sufficient margin of profit.

I wish to suggest to the distinguished Senator from Louisiana that if the Taft amendment or the Thomas amendment is not adopted, then it is the responsibility of the Office of Price Administration, as an administrative agency, to set a price level at which the cattle can be fed and sold at a profit. If that is not done, there will be a continued shortage of meat.

It seems to me useless to argue the question as to whether or not there is a meat shortage. I know that the Senator agrees with me that there is a shortage. It will become more acute than ever unless we get more cattle and hogs into the feed lots. I say that in all sincerity. I wish to help the administration produce food.

The situation is just as critical with respect to other products. It is critical not only with respect to cattle but also with respect to hogs and sugar. We can get increased production if the incentive exists, if the profit motive is present. If we do not wish to follow that policy, the

subsidy must be of sufficient amount to attract cattle to the feed lots.

Cattle are not going to the feed lots today. There are fewer cattle in the feed lots today than there were a month ago. Next month there will be fewer cattle in the feed lots than there are this month. The argument that more cattle are going into the feed lots, and that there is no shortage, is absolutely without foundation.

We must clarify the situation. That is the duty of Congress. The Administrator has not done it over a period of nearly 3 years, although I believe he had the authority. These amendments would clarify the legislation, and I believe that both of them should be adopted. The Congress should say what shall be done with the price levels; and unless the administration complies with the laws which the Congress enacts, its acts are unlawful.

I thank the Senator for yielding to me. I believe that the issue is so great that the debate should be unlimited. Whatever we do should be done in a constructive way, without heat or passion. We can believe in subsidies, or in the profit motive. We can believe in the OPA legislation, or we can disagree; but the fact remains that the supply of meat is becoming shorter. It is becoming shorter in New York City and many of our industrial cities. It is becoming shorter in my State, and meat of all kinds is becoming critically short.

Instead of the Administration clarifying the present condition it is making it worse. I think the time has arrived for Congress to step in and say what the price level should be. It ought to be possible to show what is necessary to allow a profit. We should set a price level which would attract cattle to the feed lots. According to the figures of the OPA, we have 10,000,000 more cattle than we have had, on the average, over a 10-year period, 1921-30. We have the corn, and the labor to feed it to the cattle and hogs. All we need is a sufficient profit, under the profit-motive theory, or else a subsidy to attract those cattle into the feed lots. Unless that is done, we shall have a continued shortage of meat.

Let me point out to the Senator from Louisiana that everything he has said about holding prices down depends upon having legal prices, and not black-market prices. He knows as well as I do that the black market is becoming tremendous in this country. I believe that maximum production is the only way to cure the difficulty.

I thank the Senator.

Mr. ELLENDER. Mr. President, as I stated awhile ago, some of my distinguished colleagues have virtually made my speech, and I hesitate very much to repeat some of the arguments made by them. However, to revert to the question which I was discussing when I was interrupted, I had concluded showing the differences in profits in the furniture and finished lumber business. I believe the distinguished Senator from Ohio said something about profits in the steel business yesterday. He showed that some

concerns were losing money, and that OPA in showing profits took the figures from the books of large concerns and did not consider the activities of smaller companies.

I inquired of OPA with respect to that subject. Fortunately, the OPA has just concluded a comprehensive study of 47 steel companies scattered throughout the country. None of the large companies are included in the list of 47 steel companies covered in the analysis I am about to present. None of the so-called Little Steel companies, such as Republic, Youngstown, and so forth, are included.

I am told that the 10 larger companies, including the so-called Little Steel companies, produce 80 percent of the Nation's steel production. The 47 smaller companies, whose books and accounts were carefully investigated and analyzed by OPA, as I just indicated, produce 16 percent of the steel output of the Nation. Let us see how they have fared.

In the period from 1936 to 1939 these 47 companies earned an average net profit on sales of 4.9 percent. In 1944 the same 47 companies earned 13.7 percent on sales, contrasted with 4.9 percent in the period 1936 to 1939.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MORSE in the chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield for a question.

Mr. TAFT. In the first place, the Senator's argument is that because some companies made profits in 1944, therefore the price today is correct. The point I have been trying to make is that the steel companies have been engaged in war business. Of course, they have made profits. That is not the question. They are going back into the production of civilian goods. What are the prices of those civilian products?

The Senator has just said that in the period from 1936 to 1939 these 47 companies earned 4.9 percent on sales.

Mr. ELLENDER. That is correct.

Mr. TAFT. All my amendment does is to provide that they shall earn today the same profits which they earned in 1941. So far as I am concerned, I do not care whether the basis is 1941 or 1939. I will accept either year.

Mr. ELLENDER. I shall contrast for the Senator the profits which would be made by those companies if the 1941 formula were in force with what they are making today, and show how the profits would be considerably increased.

Mr. TAFT. Whatever year we take, the profits of some companies will be increased, and the profits of others will be decreased. We must have some standard. I would just as soon take the year 1929. I am willing to accept as a basis the average for 1938, 1939, and 1940. The OPA shows 1941 as the basis for cost in its reconversion policy. Then it tried to combine with its 1941 costs the margin for the years 1936 to 1939, which were bad years; 1937 was a bad year, and the average is not a fair figure. I am willing

to accept 1938 and 1939, or 1939 and 1940; but the figure for 1941, which I have used, is a reasonable figure.

All these figures about over-all profits do not prove anything. I admit that the large companies have made money. My point is that many small companies, which make a particular product, are forced to sell it at a loss. The OPA says, in so many words, "We are requiring these goods to be sold at a loss because profits are made on something else." The producer who makes only one such product sells entirely at a loss; and when we come to reprice for the reconversion period, no one will make that product.

Mr. ELLENDER. Let me ask the Senator a question. As he pointed out yesterday, the large steel companies are making enormous profits. They produce 80 percent of the steel which is now manufactured in the United States. The 47 concerns whose account books have been analyzed show considerable profits. If we add the steel production of the 10 large steel companies to the production of the 47 smaller producers, we find that they are producing 96 percent of the steel manufactured in this country. With the enormous profits being made by those who are producing 96 percent of the steel, does the Senator think it would be just and fair to allow a profit to the producers of 4 percent of the steel, and at the same time raise the ante, so to speak, for the producers of the 96 percent? In other words, is it fair and just to raise the already swollen profits of those who produce 96 percent of the steel so as to take care of the few who produce only 4 percent of the steel made in this country?

Mr. TAFT. The answer is "Yes"; I do.

Mr. ELLENDER. Well, I do not.

Mr. TAFT. If the Senator proposes to limit everyone's profits, then there will be profit control, not price control; and with profit control we could not maintain a free economy in the United States.

Mr. ELLENDER. In other words, Mr. President, the Senator from Ohio is now arguing for the Thomas amendment, because, as I pointed out yesterday, it would permit the OPA to fix the selling prices on the basis of the cost of the high-cost producer in any industry; and no matter what the profits of low-cost producers might be in that industry, the selling price of the low-cost producers would be increased to the selling price of the high-cost producers. That would be the result. Should the Senate permit such a method of price revision, we might as well abandon price controls.

Mr. TAFT. Mr. President, the Thomas amendment would permit that, but it would not require it, and there is no evidence whatever that the OPA would choose that method of conducting business, because in general the OPA prefers to set a flat price which will give the more efficient producer a larger return than the less efficient producer.

Mr. ELLENDER. The Senator from Ohio knows well that if the Thomas amendment is adopted it will mean four or five or six prices in the same community for the same article, or else the low-cost producers must be allowed to charge

the selling price of the high-cost producers. The Senator cannot argue himself out of that situation.

Mr. TAFT. Mr. President, I am generally in favor of giving to the low-cost producers the price of the high-cost producers, because that is the whole basis on which our economy operates. The reward for efficiency in operation is the factor which in the end reduces prices. It is the thing which has raised our standard of living. It is the thing on which our whole economy is based.

Mr. ELLENDER. Then I repeat what I said yesterday: If the Senator's view is correct and if the Thomas amendment is adopted, we might as well kiss price control good-bye, because it will become ineffective and inoperative.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. I disagree with that statement, but that is not what I wish to say at this point. I hold in my hand a tabulation of figures for the iron and steel industry. This tabulation was obtained from the National City Bank, which I think is about the most reliable source of such information. The whole industry made, in 1943, 5.6 percent net, on its net worth. In 1944 it made 5.2 percent on its net worth, after taxes. Of course, that is not a picture of exorbitant profits.

But the main point is that these figures are an average, they represent both the non-profitable companies and the profitable companies. Every steel company in the country was engaged in war work. These figures are for companies which have been engaged in operations as a part of the war economy, not the reconversion economy.

In the last 5 months there have been serious cut-backs; and there are many small steel companies in Ohio, about which I know, that now are reconverting; they are changing their operations so that they will be able to make articles for civilian consumption. They now find that they can make them only at a loss.

I think the whole argument of the Senator from Louisiana is based on the fact that in 1943 and 1944 the corporations made large profits. Of course they did, but mostly because of the war business.

Mr. ELLENDER. The Senator does not mind that; does he?

Mr. TAFT. The pork packers made large profits up to about the first of July 1944.

Mr. ELLENDER. Yes.

Mr. TAFT. But the moment you begin to sell at a loss, you cut down production. The Senator has said that prices do not produce production. Of course they produce production. Last week I talked to a big manufacturer of refrigerators. He said, "We are going to reconvert. We are going ahead to make refrigerators. But if they fix the 1942 prices, on which we will lose on every refrigerator, we will make 5,000 or 6,000 refrigerators, whereas we are planning to make 50,000 or 60,000 refrigerators, and we will do so, if we get a decent price."

Mr. ELLENDER. Evidently the Senator did not hear me make a comparison of industrial production during World War I with industrial production in World War II. The Senator has argued, as I pointed out during his absence, that high prices mean more production.

Mr. TAFT. It is inevitable that profitable prices will mean more production. I did not refer to high prices. I say that if the prices which are set are such that no profits will be made, there will be almost no production. If the price which is fixed permits a reasonable return, there will be all the production we wish to have.

Mr. ELLENDER. But the Senator from Ohio pointed out a while ago that higher prices on refrigerators will mean that more refrigerators will be manufactured.

Mr. TAFT. If the price fixed for refrigerators is such that the manufacturer of refrigerators will lose money, he will not make many refrigerators; he will make only enough to keep his organization going.

Mr. ELLENDER. Mr. President, for the benefit of the distinguished Senator from Ohio and other Senators who have recently entered the Chamber, let me point out that during World War I prices increased 88 percent in the period from 1914 to 1918, and production increased 25 percent. During World War II, prices increased 21 percent, and production increased 216 percent. The inevitable conclusion from those figures is diametrically opposed to the theory now advanced by the distinguished senior Senator from Ohio.

Mr. TAFT. Mr. President, with all due respect to the Senator, let me say I do not think his figures prove anything. We have a big industrial production because the Government went to the manufacturers and said, "We want you to produce these things for the war." Of course, we have had three wars at once, so we have had three times as much production as we did in the First World War.

Mr. ELLENDER. Suppose there had been effective price controls during World War I?

Mr. TAFT. Mr. President, this reference to World War I is a mistake on the part of the Senator, because in the first 3 months of World War I there was no greater increase in prices than there was in the first 3 months of World War II.

Mr. ELLENDER. The figures do not show that, I desire to say to my distinguished colleague.

Mr. TAFT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum giving all the figures, showing that the actual increase for the first 19 months of World War I was just about the same as the increase in the first 19 months in this World War.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

World War I began in August 1914 and United States participation began April 7, 1917, and extended to November 11, 1918—a period of 19 months. Congressional au-

thority to control food prices was given in August 1917 and was dissolved at the armistice, except in wheat, sugar, and hogs as to which there were continuing Government guaranties.

World War II began in September 1939 and United States participation began on December 7, 1941, and extends to date. It is therefore only possible to compare the price controls over 19 months of World War I and the first 19 months of World War II.

The principles of the two price controls differed radically. Price controls in World War I were limited to some 20 essential staples and their products, which comprise over 90 percent of American nutrition. The price controls of World War II cover thousands of grocery items—many of which are refinements and luxuries.

Prices in World War I were based upon stabilizing prices at points nearest possible to the producer—that is, elevators, stockyards, creameries, milk-sheds, etc. Then there was established a "mark-up" for each stage of manufacture or distribution. Prices in World War II were fixed at arbitrary levels at various outlets with subsequent adjustments. World War I methods resulted in the uninterrupted flow from farmer to consumer, required only a few hundred men for enforcement, and resulted in no black markets and no local famines. World War II methods require thousands of men and women for enforcement, require hundreds of millions in subsidies to patch up irregularities, and have resulted in local famines and black markets.

Prices in both wars had advanced considerably before the United States entered the wars, and before control of prices was established.

Taking 1913 as a base of one hundred, the situation in each case at our entry into the war was:

	Year	Farmer prices	Wholesale prices	Retail prices
April	1917	175.0	159.0	144.9
December	1941	132.4	141.0	141.6

The attached table—No. 1—shows the advances in detail, month by month, for the first 19 months of the United States participation in both wars, taking the first month of our participation as 100 base.

World War I prices received by farmers advanced 25.9 points at the nineteenth month and they advanced 36.4 points in the nineteenth month of World War II. (These are the figures of the Department of Agriculture.)

World War I average wholesale food prices advanced 24.2 points at the nineteenth month, while World War II average wholesale food prices advanced 22.1 points at the nineteenth month. (These are Department of Labor figures.)

World War I average retail food prices advanced 24.8 points at the nineteenth month, while World War II average retail food prices advanced 24.5 points at the nineteenth month.

These tables are not fair to the food administration of World War I for three reasons: The authority of the food administration in World War I to control prices was not granted to it until August 1917, while the figures given relate to April 1917; in World War I the indexes include the unregulated luxury and refined foods; and black market prices or subsidies to food dealers are not represented in the statistics of World War II. Also, World War II food agencies have paid out several hundreds of millions of dollars to farmers, manufacturers, and dealers, which do not show in the index of

prices but come out of the consumers' pockets as taxes just the same.

While even the tables given show neck-and-neck advances, if adjustment were made as above, the Food Administration of World War I would show for the first 19 months at least nine points better in farmers' prices, nine points better in wholesale prices, five points better in retail prices.

Table II, attached, shows the money retail prices of 11 staples during World War I period of control.

Table III shows wholesale prices in money for certain staples in World War I and World War II.

Table IV shows the movement of prices in the two wars based upon pre-World War equals 100.

COMPARATIVE CONSUMPTION PER CAPITA

In World War I the conservation of food was organized on a voluntary basis through measures of cooperation with the consumers and the trades. There were no ration boards, ration cards, harassment, and only trivial expenses.

In World War II the conservation of food was organized upon a compulsory basis through ration boards with ration cards and elaborate regulation of the trades at great inconvenience to the public and at high expense.

It is of interest to compare the results of the two methods in the four most critical commodities, and which could no doubt be extended to other commodities. (The figures are from the Department of Agriculture.)

Consumption in pounds per capita per annum for 4 representative commodities

Year	Meat	Chickens	Lard and cooking fats	Sugar
World War II:	Pounds	Pounds	Pounds	Pounds
1942.....	137.9	21.5	22.5	86.2
1943.....	136.6	28.1	24.1	80.3
1944.....	147.0	23.0	23.6	88.4
Average.....	140.5	24.2	23.4	84.9
World War I:				
1917.....	136.0	17.7	21.4	77.2
1918.....	143.0	17.8	22.8	78.0
Average.....	139.5	17.75	22.1	77.6

These figures are for civilians only and are exclusive of the armed services.

World War I figures are inclusive of the armed forces. Moreover, the figures for World War I were based on the difference between production and imports less exports divided by the population. During World War I much food was exported to the Allies which for military reasons was not reported to the Department of Commerce. This is shown by Allied and other figures of imports from the United States as larger than our export figures. Moreover, the statistics for World War II cover full calendar years, whereas the food control in World War I did not include any one full calendar year.

Making reasonable adjustment for these differences, the rate of consumption by civilians for World War I was:

Meats.....	132
Chickens.....	15.2
Lard and cooking fats.....	20.1
Sugar.....	73.3

It was necessary to drastically conserve wheat in World War I which has not been necessary in World War II. The amount of this conservation is indicated by the fact that we exported about 33 percent of the wheat crop available for food in the years 1917 and 1918, when we had no theoretical surplus for export at all. And this was ac-

complished wholly by voluntary action and without ration cards.

COST OF ADMINISTRATION

In World War I, the Food Administration controlled the stimulation of production, conservation in consumption, prices, purchases of Army, Navy, and the Allies, and relief of Europe, all under one organization. In World War II these functions are divided over 7 or 8 organizations. The total number of paid employees in World War I was under 3,000 in the Food Administration and the use of perhaps 4,000 of the Department of Agriculture. The paid employees in World War II of all related agencies possibly exceeds 200,000.

The total administrative expenses of the Food Administration in World War I from beginning to end, including the relief of Europe, was under \$3,000,000. The expenditures during the first 19 months of World War II food agencies probably exceed \$200,000,000. The Food Administration in World War I returned all appropriations of working capital intact and earned a net profit of over \$60,000,000 in food operations. It paid out no subsidies. The food agencies of World War II have paid out several hundred millions of losses on food and subsidies. Thus, the Food Administration in World War I cost \$50,000,000 less than nothing for its 19 months, whereas the food agencies of World War II

have cost several hundred millions in the same period.

TABLE I.—Food prices World War I and World War II—Index numbers

WORLD WAR I [April 1917=100]				
Month of war	Calendar	Prices received by farmers	Wholesale prices	Retail prices
1917				
1st.....	April.....	100.0	100.0	100.0
2d.....	May.....	105.9	106.4	104.1
3d.....	June.....	107.1	104.4	104.8
4th.....	July.....	106.5	103.1	100.7
5th.....	August.....	107.1	107.1	102.8
6th.....	September.....	108.8	108.7	105.5
7th.....	October.....	112.9	112.5	108.3
8th.....	November.....	112.9	112.5	106.9
9th.....	December.....	114.7	112.0	108.3
1918				
10th.....	January.....	117.1	112.5	110.3
11th.....	February.....	118.8	112.4	111.0
12th.....	March.....	118.2	109.6	106.2
13th.....	April.....	117.1	111.1	106.2
14th.....	May.....	116.5	111.0	109.0
15th.....	June.....	114.1	111.2	111.7
16th.....	July.....	117.1	115.9	115.9
17th.....	August.....	121.8	117.2	117.9
18th.....	September.....	127.1	121.6	122.8
19th.....	October.....	125.9	124.2	124.8

TABLE I.—Food prices World War I and World War II—Index numbers—Continued

WORLD WAR II [December 1941=100]				
Month of war	Calendar	Prices received by farmers	Wholesale prices	Retail prices
1941				
1st.....	December.....	100.0	100.0	100.0
1942				
2d.....	January.....	103.5	103.5	102.7
3d.....	February.....	104.9	104.5	103.3
4th.....	March.....	105.6	106.2	104.9
5th.....	April.....	108.4	109.1	105.7
6th.....	May.....	107.7	109.3	107.5
7th.....	June.....	107.7	109.7	107.9
8th.....	July.....	109.8	109.6	110.2
9th.....	August.....	111.9	111.4	111.5
10th.....	September.....	114.0	113.1	111.9
11th.....	October.....	116.8	114.3	114.6
12th.....	November.....	118.9	114.4	115.9
13th.....	December.....	123.8	115.2	117.3
1943				
14th.....	January.....	126.6	116.2	117.6
15th.....	February.....	128.7	116.9	118.1
16th.....	March.....	134.3	118.7	121.5
17th.....	April.....	137.8	119.8	124.3
18th.....	May.....	135.7	122.1	126.4
19th.....	June.....	136.4	121.1	125.5

TABLE II.—Average retail prices of specimen-controlled articles, 1917-20

	Wheat flour	Bread	Sugar	Milk	Lard	Bacon	Ham	Round steak	Coffee	Butter	Eggs
	Cents per pound	Cents per pound	Cents per pound	Cents per quart	Cents per pound	Cents per dozen					
1917—August.....	7.6	10.2	10.0	11.4	27.7	43.1	39.4	30.8	30.5	47.6	46.0
September.....	7.4	9.9	9.9	11.8	29.7	44.4	40.9	29.7	30.5	49.6	52.5
October.....	7.1	9.9	9.8	12.7	31.3	48.2	42.6	30.8	30.5	50.8	55.1
November.....	6.9	9.9	9.6	12.8	32.7	48.4	42.6	29.7	30.3	52.8	58.1
December.....	6.8	9.3	9.5	13.1	33.4	48.8	43.4	30.0	30.3	54.3	63.4
1918—January.....	6.6	9.4	9.5	13.4	32.9	48.6	43.6	30.6	30.4	56.7	67.4
February.....	6.6	9.5	10.6	13.4	33.0	48.4	43.8	31.4	30.4	57.9	61.1
March.....	6.6	9.6	9.2	13.4	33.2	48.8	44.1	31.8	30.4	55.2	44.3
April.....	6.6	9.8	9.1	13.2	33.1	49.5	44.6	34.5	30.1	50.7	42.5
May.....	6.6	9.9	9.1	13.2	32.9	50.5	45.6	38.0	30.1	51.0	42.4
June.....	6.7	10.0	9.1	13.0	32.6	51.5	46.5	40.6	30.2	51.1	42.5
July.....	6.7	10.0	9.2	13.2	32.5	52.3	48.7	40.3	30.1	52.6	49.1
August.....	6.8	9.9	9.3	13.6	33.1	54.0	48.5	39.6	30.1	53.9	53.6
September.....	6.8	9.9	9.6	14.3	33.6	56.2	51.9	39.8	30.3	59.2	58.6
October.....	6.7	9.8	10.6	14.8	34.2	57.9	52.0	39.0	30.5	65.1	64.1
1919—October.....	10.1	11.4	16.0	16.0	36.1	52.8	52.9	26.9	48.6	71.1	72.0
1920—September.....	11.9	18.3	17.2	17.2	27.9	54.5	52.0	43.1	46.6	68.4	71.1
October.....	11.8	13.9	17.3	17.3	29.2	54.6	42.0	43.4	68.9	80.8	80.8

Source: U. S. Department of Labor, Bureau of Labor Statistics Retail Prices, 1913 to December 1920 (Washington 1922), pp. 80-89.

TABLE III. Average wholesale prices of commodities (money value)

	Cattle—steers, good to choice	Hogs—good to choice, heavy: Chicago	Bacon: Chicago	Mutton—fresh, dressed: New York	Butter, creamery—extra: Boston	Eggs—firsts, fresh: Chicago	Milk, fluid: New York	Wheat flour—patents: Portland, Oreg.	Sugar, granulated: New York	Rice—Blue Rose, head, clean, medium to good: New Orleans	Potatoes, white: New York
	Per 100 pounds	Per 100 pounds	Per pound	Per pound	Per pound	Per dozen	Per quart	Per barrel	Per pound	Per pound	Per 100 pounds
1917—June.....	\$12.55	\$15.71	\$0.242	\$0.168	\$0.301	\$0.313	\$0.046	\$11.80	\$0.072	\$0.072	\$2.95
September.....	14.99	18.33	.280	.180	.444	.374	.060	10.80	.082	.070	1.00
December.....	13.24	16.85	.314	.188	.452	.484	.072	10.00	.080	.073	1.00
1918—March.....	13.23	16.83	.279	.195	.450	.347	.075	9.00	.073	.078	.69
June.....	17.18	16.62	.280	.224	.441	.316	.044	9.00	.073	.089	.95
September.....	18.41	19.73	.278	.193	.539	.431	.068	10.45	.085	(¹)	1.36
December.....	18.36	17.58	.301	.150	.665	.624	.092	10.45	.088	.079	1.02
1919—March.....	18.58	18.96	.305	.214	.610	.389	.076	10.43	.088	.071	1.00
June.....	15.46	20.67	.333	.165	.521	.404	.068	10.88	.088	.082	.93
September.....	16.81	17.00	.274	.118	.575	.457	.075	10.75	.088	.120	1.57
December.....	17.08	13.69	.226	.140	.702	.733	.085	11.75	.109	.114	1.92
1920—March.....	14.40	14.44	.211	.196	.664	.450	.079	12.84	.137	.116	3.29
Per 100 pounds											
1941—December.....	12.75	10.51	.234	.091	.354	.343	3.74	7.17	.052	.064	2.33
1942—March.....	13.36	13.51	.263	.099	.353	.283	3.74	7.01	.053	.070	2.53
June.....	12.99	14.27	.268	.111	.374	.304	3.48	6.49	.055	.070	2.88
September.....	14.53	14.71	.280	.114	.441	.351	3.93	6.81	.055	.067	1.62
December.....	15.13	14.25	.258	.184	.473	.390	4.13	6.93	.055	.057	2.28
1943—March.....	15.95	15.64	.258	.154	.468	.374	4.13	7.72	.055	.067	3.39
June.....	15.88	14.01	.258	.149	.430	.386	4.13	7.88	.055	.067	3.87
September.....	15.84	14.93	.240	.128	.418	.417	4.13	7.88	.055	.067	2.78
December.....	15.41	13.27	.240	.125	.418	.400	4.33	8.02	.055	.067	2.81
1944—March.....	15.53	14.14	.240	.125	.418	.321	4.33	7.92	.055	.067	2.79
June.....	16.44	11.96	.240	(¹)	.418	.332	4.33	7.92	.055	.067	3.06
September.....	17.21	14.00	.240	(¹)	.418	.368	4.35	7.92	.054	.067	3.96
December.....	16.31	14.29	.240	(¹)	.418	.418	4.35	7.92	.054	(¹)	3.16

¹ Not available.

TABLE IV.—Price index—pre-World War I—
100

	Average farm	Average wholesale	Average retail
1915.....	99	?	107
1916.....	118	?	117
1917.....	175	?	156
1918.....	204	?	180
1919.....	215	?	194
1920.....	211	?	207
1921.....	146	?	174
WORLD WAR II			
1929.....	95	?	135
1940.....	100	?	136
1941.....	124	?	143
1942.....	159	?	171
1943.....	192	?	184
1944.....	195	?	179
1945:			
January.....	201	?	?
February.....	199	?	?
March.....	?	?	?
April.....	?	?	?

Mr. ELLENDER. Mr. President, I do not know where the distinguished senior Senator from Ohio has obtained those figures. But, following them, I ask unanimous consent to have printed at this point in the RECORD a tabulation of the comparative price increases over 4 years of two world wars, as appearing on page 4263 of the CONGRESSIONAL RECORD, May 7.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Comparative price increases over 4 years of 2
world wars

	1914-18 World War I (percent price increase) ¹	1939-43 World War II (percent price increase) ²
Cost of living, total ³	50.3	24.9
Food (61 items).....	63.9	46.7
Clothing (111 items).....	85.3	28.5
Housefurnishings (39 items).....	77.2	24.8
Wholesale prices, total (889 items).....	96.1	37.5
Raw materials (111 items).....	102.1	69.5
Semimanufactures (99 items).....	131.3	24.7
Finished products (679 items).....	87.6	26.0
Industrial commodities ⁴ (709 items).....	92.4	21.2
Selected manufactured items:		
Steel plates (tank).....	187.4	0
Copper ingots.....	90.3	14.0
Plate glass.....	76.1	0
Wool blankets.....	164.7	⁵ 50.0
Cotton hosiery (men's).....	132.3	⁶ 71.9
Blue denims.....	214.8	74.5
Prices received by farmers for all commodities.....	91	119
Prices received by farmers for 58 foods.....	78	116
Selected agricultural items:		
Cattle.....	58	89
Hogs.....	102	150
Cotton.....	127	128
Milk.....	46	94
Butterfat.....	73	122
Wheat.....	165	133
Corn.....	106	139
Prices paid by farmers for 174 commodities and for interest and taxes.....	71	34

¹ July 1914 to July 1918.

² August 1939 to August 1943.

³ Rent and fuel, not available by months.

⁴ All commodities other than farm products and foods.

⁵ To May 1943, the latest available.

⁶ 1914 to 1918, not available for World War I period.

Source: Farm prices, Bureau of Agricultural Economics; others, Bureau of Labor Statistics.

Mr. ELLENDER. Mr. President, I do not care to take up the time of the Senate to make the distinction between the two, but it might prove interesting reading.

Now, Mr. President, continuing with a comparison of the profits on net sales and on the basis of the capital worth of the 47 steel companies—which are not the large ones, as I said—in 1944 the 47 companies earned 13.7 percent on sales, in contrast to 4.9 percent during the period 1936-39. In other words, their rate of profit on sales went up 275 percent. From 1936 to 1939, the average total annual dollar profit was \$16,000,000. For 1944 it was \$111,600,000. The rate of return on net worth of the 47 companies moved up from 5.9 percent in 1936-39 to 33.4 percent in 1944. In other words, their rate of return on net worth increased over 565 percent. Yet some Senators complain and are eager to afford these concerns greater returns.

If we take the period of 1941, which is the year referred to by the distinguished senior Senator from Ohio in his amendment which he proposes to add to the Thomas amendment, here is what would happen—bearing in mind that if we use the 1941 period, the profit on net sales for those same 47 companies would be 17 percent instead of 13.7 percent, and on net worth instead of making a profit in 1944 of 33.4 percent—these same 47 companies would make a profit of 39.1 percent. Senators should stop and consider the import of the amendment. In the face of such enormous profits as are now being obtained, the Taft amendment would up them considerably.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. In a moment. I repeat, Mr. President, that if we adopt the Thomas amendment which seeks to control prices on agricultural commodities as well as meats, and then tack on the Taft amendment which deals with industrial products, we may as well repeal the Price Control Act.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I will yield in a moment.

I cannot conceive of a Senator standing on this floor and saying that he is in favor of price control and then voting for the Thomas and the Taft amendments. As I have just indicated, if those two amendments shall be adopted we cannot possibly control prices. It will not be possible even to fix ceilings. Price levels must take their course. The moment the cost of living is increased labor costs are bound to increase also, and then the tug-of-war will begin between labor on the one side and industry on the other. It will result in a spiral of inflation. In no time our country will be engulfed in a spiral of inflation which will, according to my way of thinking, destroy our economy.

I now yield to the Senator from Ohio. Mr. TAFT. I read from my amendment:

No maximum price shall be established or maintained after October 1, 1945, over protest, for any commodity or for any major item

of any such commodity, which does not return to the processors and manufacturers thereof and to persons engaged in mining such commodity, not less than the same dollar margin over cost, if any, which they received for such commodity or major items in the year 1941.

It seems to me that that language is so fair and just that no one could question it; 1941 was not a peculiarly profitable year. Corporations did not derive the large profits to which the Senator has referred. I assert that a man who is operating a business should be allowed the same margin of profit during the reconversion period that he had during the prewar period. The Senator contends that in allowing such profit the price-control system will be destroyed.

Mr. ELLENDER. Why does the Senator desire to increase the profits on net worth of companies, such as those to which I have referred, from 33.4 percent in 1944 to 39.1 percent for the same period?

Mr. TAFT. I entirely deny the accuracy of the Senator's figures. The correct figures with regard to 1943 and 1944 show that the steel companies, as a whole, earned approximately 5 percent on their net worth, and not 33 percent. I shall be glad to examine the Senator's figures, and I believe I can point out to him in what way they are wrong.

The OPA has various methods of eliminating this item and eliminating that item, and not counting this cost and not counting that cost. I do not have confidence in the OPA. In case after case during the past year I have found the OPA to be unfair in its calculations. It has even refused to accept the calculations of the Bureau of Internal Revenue. The position of the OPA is that it has been duped by these various companies year after year. The point which I am trying to make is that there is nothing which so destroys price control as a formula which says in effect, "You have the same margin of cost as you had in the prewar period." I contend that if manufacturers and producers are not allowed a reasonable margin of profit over cost, we shall not be able to provide necessary employment and products during the reconversion period.

Mr. ELLENDER. My contention is that all of these various concerns are making what I call unconscionable profits when contrasted with those of the prewar period. I do not believe it to be right at this time to inject into the Price Control Act a formula which will further increase those profits.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. That is what would take place.

Mr. BUSHFIELD addressed the Chair. Mr. TAFT. The formula would not further increase—

The PRESIDING OFFICER. The Senator from Ohio will suspend. Does the Senator from Louisiana yield to the Senator from South Dakota?

Mr. ELLENDER. I first yield to the Senator from Ohio [Mr. TAFT], and then I will yield to the Senator from South Dakota [Mr. BUSHFIELD].

Mr. TAFT. I wish to suggest only that the formula, based on 1941, would not increase profits over what they were in 1943 and 1944. It would be merely an attempt to restore the margin which existed during the prewar period. I merely wish to make that statement in answer to the contention of the Senator from Louisiana.

Mr. ELLENDER. However, it would have the tendency to increase prices, and that is what the Senator wishes to bring about.

I yield to the Senator from South Dakota.

Mr. BUSHFIELD. Mr. President, the Senator from Louisiana has been talking for sometime about profits as compared with the profits of various industries in various years. I can find nothing in the Price Stabilization Act which says anything about profits. It mentions only three things, namely, the stabilization of prices, fair and equitable wages, and the cost of production. If the Senator knows of any place in the law at which anything is said about profits I should like to have him point it out to me.

Mr. ELLENDER. I am glad the Senator has made his statement. He will recall that many other Senators have stated that the OPA has attempted to control profits instead of prices. The OPA has no right to follow such a course. It has attempted to maintain fair prices which in no manner cut down profits, generally speaking. As a matter of fact in fixing fair prices it has endeavored to allow fair profits. I think that the charge made that the OPA has tried to control profits is not well founded in the light of the fact submitted by me in the last few hours.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. In a moment. During the war with the tremendous increase in our industrial production, of course, prices increased.

I was about to point out that yesterday the Senator from Iowa had, I believe, some figures which he desired to put into the RECORD, but could not locate them at the moment. I am about to read into the RECORD a table showing the profits of the meat industry.

Mr. HICKENLOOPER. Mr. President, on that point will the Senator yield to me? I understood the Senator to say that the OPA had no right to regulate profits.

Mr. ELLENDER. There is nothing in the act which gives it any right to regulate profits.

Mr. HICKENLOOPER. I submit, Mr. President, that the very yardstick which the OPA is now inflicting upon the economy of this country is what it calls the over-all industry profits yardstick. That alone, I believe, goes far afield, and beyond any permission granted it, or any legislation enacted in connection with the establishment or maintenance of prices. By its own admission, the OPA is proceeding on a profit basis and not on the basis of a fair and equitable price.

Mr. ELLENDER. Mr. President, I shall now devote a few minutes to the subject of profits on net sales and on

net worth as they relate to the meat-packing industry. Yesterday I promised the Senator from Iowa [Mr. HICKENLOOPER] that I would make an attempt, in my own time, to give him all the figures, and I shall do so now.

I shall now give some information based upon reports furnished by the various packers who manufacture from 70 to 75 percent of meat by volume in this country. The percent of profit on net sales for 1936 to 1939 averaged 1 percent before taxes, and after taxes, 0.8 percent. In 1939 the percent of profit on net sales before taxes was 1.6 percent, and 1.3 percent after taxes. In 1940 it was 1.8 percent before taxes and 1.4 percent after taxes. In 1941 it was 2.4 percent before taxes and 1.7 percent after taxes. In 1942 it was 2.4 percent before taxes and 1.2 percent after taxes. In 1943 it was 2.7 percent before taxes and 1.1 percent after taxes. In 1944, last year, the year as to which a great deal of complaint was made before the Committee on Agriculture and Forestry, approximately 2 months ago, the percent of profit on net sales before taxes was 3.3 percent and after taxes, 1 percent.

Now, Mr. President, let me contrast the percentage of profit on net sales with the percentage of profit on net worth, which, by the way, ought to be the method by which the profit should be estimated.

Last year one packer who was mouthing for more profits, on an investment of \$900,000 made \$300,000. Yet he was complaining because, forsooth, cattle prices had gone to the ceiling, and he was unable to make a go of his business.

Hogs and cattle prices reached ceiling only in the beginning of this year. There may have been a few instances in the latter part of last year when the prices of hogs and cattle reached ceiling, but the situation became acute after that, as it is acute now. Of course some of the packers have shown losses, but a number of them, one in particular, a large packer, said that on his overall business he would show a profit. As to the slaughterers of cattle and the slaughterers of hogs, I admit that they did show losses, but I repeat that OPA has been making every effort to help them and I am sure that that attitude will be continued in the future.

Now let us make the comparison on the basis of net worth for the same period. In the period 1936-39 the percentage of profit on net worth before taxes was 4; after taxes, 3.1. In 1939 it was 6.2 before taxes and 5.0 after taxes; in 1940 it was 7.3 before taxes, and after taxes 5.7; in 1941 it was 12.2 before taxes and 8.6 after taxes.

Now listen to the figures for the last 3 years. In 1942, before taxes the percentage of profit on net worth was 16.7, and after taxes 8.4. In 1943, before taxes it was 20 percent on net worth, and after taxes 8.1 percent; and last year, 1944, the year about which we have heard so much, and in the latter part of which some packers showed enormous losses on this and that product, the percentage of

profit on net worth was 25.2 before taxes, and 7.6 percent after taxes.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I gladly yield.

Mr. BUTLER. I would appreciate it very much if the Senator would explain to me just what relation that has to the subject under discussion. I take it that what we are interested in is getting more meat and more food for the people to eat; and not whether some large firms or some small firms have made greater profits. It is a little difficult for me to see how that directly answers the question about which we are really concerned namely, the production of food.

Mr. ELLENDER. If the Senator will bear with me in my next topic I will show, if I can, that neither the Taft amendment nor the Thomas amendment or a combination of them will bring about the production which is desired. My guess is that the adoption of either amendment will decrease production, because both amendments simply protect the processors of agricultural products, the processors of meat, and the manufacturers of industrial supplies, the prices of all of which, if the formula is adopted, are bound to go up, and accordingly the costs of the farmer will be increased, and next year he would have to ask for an increase in his prices, and, if it is not granted, he will find himself suffering losses.

Mr. BUTLER. I will appreciate it very much if the Senator from Louisiana will explain to me how there can be brought about increased production of anything, whether steel or food products, without the people furnishing it having a profit on their transactions over a long time.

Mr. ELLENDER. The whole argument which has so far been made on the floor of the Senate in respect to amendments to the Price Control Act is that they would bring about increased production; but, as I have pointed out on several occasions on the floor of the Senate, that is not the case. In the past increased prices have not meant increased production, and I venture again to say that if the Thomas and Taft amendments were adopted they would mean less production, because they would increase to a large extent the costs of the farmer in producing agricultural commodities. The amendments proposed do not in any manner help the farmers.

Mr. President, if OPA has been instrumental, as some contend, in reducing profits in a desire to control prices, it would strike me very forcibly that the death rate among businesses should be on the increase. Is not that logical? There can be no doubt about it in anybody's mind; but as the distinguished Senator from New York [Mr. WAGNER] pointed out the other day and as appears on page 3 of the report on the pending joint resolution of the Committee on Banking and Currency, business failures have not increased. Let us see what the business status has been over a period of a few years.

In 1929 business failures aggregated 22,909; in 1933, 31,822; in 1939, 14,768; in 1940, 13,619; in 1941, 11,848.

Now let us take the war years when, as is contended by some, business has been placed in such a position that it will have to go into bankruptcy. The number of failures in 1942 was 9,405; in 1943, 3,221; and in 1944, only 1,222 businesses failed in this Nation of ours. Yet we hear on the Senate floor that the Price Administration has choked off business by reducing its profits, has led it into bankruptcy, has prevented it from making profits. Yet, as I pointed out on two or three occasions, all businesses have never been so prosperous as they are today.

Mr. President, some time ago I received a challenge from the distinguished Senator from Ohio, and I telephoned OPA for facts, if any they had. I shall read their answer to my request, which, I am sure, will be convincing proof that I have not only accepted the challenge of the distinguished Senator from Ohio but I think I have met it.

The communication reads:

You have requested this Office to provide you with any information bearing on the following request made to you by Senator TAFT in the course of the debate on the stabilization extension resolution in the Senate yesterday afternoon:

"Mr. TAFT. I should like the Senator to furnish me with any statement by any businessman that could not give the separate cost of each major item he manufactures."

In association with Paul M. Green, OPA Deputy Administrator for Accounting, I have assembled a considerable volume of evidence conflicting squarely with Senator TAFT's assumption that businessmen as a rule keep records which enable them to give the total costs and profit margins separately for each major item they manufacture. Our accounting department has had an unparalleled opportunity to become familiar with the accounting practices of American industry. Their experience indicates conclusively the truth of the following proposition:

1. It is impossible to get any profit and loss statements by separate commodities or even by divisions and departments from the great majority of American manufacturers;

2. Of those manufacturers who do attempt to keep product or departmental cost and profit records, the information derived from such records is not in such shape to permit its use by OPA in making industry-wide determinations without extensive investigation and adjustment; because

(a) The methods of allocating overhead costs and profits vary widely among manufacturers even within the same industry; and

(b) The allocation methods used frequently include many arbitrary or conventional factors which, unless carefully adjusted and revised, produce cost and profit figures for each separate product which, when added together, cannot be reconciled with the overall profit and loss statement for the reporting company.

The supporting evidence follows:

1. The textile industry:

In connection with its studies under the Bankhead amendment OPA accountants were obliged to visit approximately 350 textile companies. At least half of the companies visited had no records which would reveal product cost and profit information without extensive cost and financial analysis.

To explain the absence of data from particular companies, OPA developed a form, Statement of Nonavailability, copies of which were signed by officials of each company and placed in the OPA files. Some companies sent in letters instead.

Here are excerpts from some of the statements:

A Virginia knitting mill: "Unit cost of hosiery not maintained."

A North Carolina cotton mill: "No detailed costs by yarn numbers."

An Arkansas cotton mill: "No cost records kept by mill on yarn construction. * * * No costs or sales break-down is kept by fabric style."

A South Carolina cotton mill: "Profit on individual fabric * * * not available as this is an average-cost mill."

Another South Carolina cotton company operating three mills: "Neither costs nor selling prices, or data necessary to compute, are available for individual fabrics."

A Tennessee hosiery mill: "Our bookkeeping system does not segregate expenses in a detailed manner."

A North Carolina hosiery mill: "[Sales of] major item cannot be separated from other sales."

A Texas cotton mill: "The company has kept no sales breakdown, either in amount or fabric * * * no effort has been made to figure profits by fabrics by the company."

A Georgia cotton mill: "The enclosed figures do not represent cost on 4.75 weight only but on the averages of all the styles we make."

2. The processed-food industry (canning, preserving, pickling, drying, and freezing fruits and vegetables):

OPA has had to examine the books of over 400 companies in these industries. The accountant in charge estimates that at least 90 percent of the companies examined did not have cost and profit data by products.

Yet in these amendments we are being asked to separate them, and how under Heaven it can be done is beyond my comprehension.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. In just a moment.

For such studies as it made, OPA had to send its accountants to each company examined, discuss the problem with its officials, and work out a method of securing the needed information in accordance with a formula developed by OPA accounting department.

A quick examination of OPA files produced a list of the names and addresses of 233 food processing companies (not including meat packers) which reported to OPA that they had no product cost or profit data. Many more such names could be obtained if time permitted.

3. The wine industry:

A west coast accountant who is a specialist and a leading authority on accounting in the wine industry wrote OPA on September 13, 1943, as follows:

"I know of only one vintner which has a set of accounts which segregates the costs and realization from sales of bottled dessert wine and table wine from those of other commodities and where I feel confidence in the accuracy of the results."

4. Survey of reconverting manufacturers:

In September 1944 as a part of the process of developing OPA's reconversion pricing formula, OPA's Accounting Department instructed each of OPA's eight regional offices to interview representative manufacturers in their respective regions to learn whether they could furnish cost and profit data for the last 6 months of 1941 on a departmental or a divisional basis. (A product basis was considered too hopeless to ask about.)

Reports of interviews with 31 small and medium-sized manufacturers, who had made a wide variety of commodities in 1941, were received in Washington and tabulated.

Of the 31 interviewed, only 7 could give the departmental or divisional profit and loss figures requested.

Only 6 could give such figures for 1936-1939.

Twenty-seven said it would be more feasible to give materials prices and wage rates for 1941 than unit costs.

5. The shoe industry:

Signed statements of nonavailability of product cost and profit data were obtained in the course of a survey of the shoe industry. Here are some quotations:

A New York shoe manufacturer: "[Manufacturing costs by price ranges]—unobtainable as records are not kept in manner to supply the information."

A Wisconsin shoe manufacturer: "No costs records available for price range and categories * * * No cost records are maintained by style of shoe."

I now yield to the Senator from South Dakota.

Mr. BUSHFIELD. What the Senator is really saying is that it is too difficult for OPA to ascertain what the profits in business are. I wish to ask the distinguished Senator from Louisiana if he would rather OPA guessed at them than took an exact method of finding out.

Mr. ELLENDER. Mr. President, I do not suppose that OPA has made many guesses. My guess is that if they try to guess, we will have high prices.

Mr. BUSHFIELD. Is that not what they have been doing?

Mr. ELLENDER. As I have indicated to the Senate on yesterday, prices of goods were frozen as of those prevailing in March 1941. But in the meantime, whenever anyone came for an adjustment in price, OPA necessarily bore in mind profits that were shown to have been made in a given period in considering the question of whether or not ceiling prices should be upped. I do not know of any other way it could be done.

If the Thomas amendment shall be agreed to, as I have pointed out on two or three occasions, the books of every producer will have to be examined, if the law is to be followed as it is written, and a reasonable profit must be allowed to the processor on every major product he manufactures.

Mr. BUSHFIELD. Will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. BUSHFIELD. The Senator continues to refer to the profits these different businesses are making, and I repeat that there is not one word in the Price Administration law that says anything about profits.

Mr. ELLENDER. I am not trying to convince the distinguished Senator from South Dakota or any one else that there is anything in the act which gives OPA the right to control profits. I do believe that in making adjustments as to ceiling prices profits should to some extent be considered.

What I am trying to say is that the big cry has been that the ceiling prices ought to be increased, and that new language should be written into the act to accomplish that purpose.

Mr. BUSHFIELD. If there is nothing in the act itself which says anything about profits, why continue to talk about profits?

Mr. ELLENDER. Simply in answer to the Senator from Ohio [Mr. TAFT] and to other Senators who have said that price control has stifled business, that it was not receiving what it was entitled

to, and that we ought to give it more profit. The Senator from Ohio said yesterday, "What good will it do to a business to raise the price of a commodity one or two cents when income taxes will grab most of it?" That may be true. But by increasing prices the cost of living is increased, labor will become disturbed, and the farmer will become uneasy. Then, as I said a while ago, a tug of war will result. Labor will want higher wages because of increased cost of living, and to meet that increased cost of labor industry will ask for an increase. Then before we know it OPA will not be able to cope with the situation, and with that, price control goes out the window.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes; I gladly yield.

Mr. TAFT. In the first place I did not ask for increases for all industries. I proposed a formula. If the prices are not high enough then there should be an increase. On the other hand, many prices are probably higher than the formula prescribes. I made no statement that there should be a general increase in prices.

Mr. ELLENDER. I did not so understand the Senator. In answer to a question by me the Senator from Ohio said he thought the low-cost producer should receive the same price as the high-cost producer. The Senator said that two or three times during the course of the debate.

Mr. TAFT. Yes; I think so.

Mr. ELLENDER. That means higher prices.

Mr. TAFT. Oh, no; it does not mean anything of the sort. It means—

Mr. ELLENDER. That means giving unconscionable profits to the low-cost producer, when today he is receiving more—I will not say more than he should have, but much greater prices than he has ever received in history.

Mr. TAFT. This was my statement, that there are many products which under OPA prices today are compelled to be sold at a loss. If we want to get more production we have to have higher prices for them. There are others probably sold below the formula proposed in the amendments. There are many of them above the formula proposed in the amendments which would not in any way be affected by the amendments. That is the statement I actually made.

Mr. ELLENDER. Yes, but the Senator has been speaking in behalf of the Thomas amendment, and as I pointed out, and as the Senator from Ohio admitted, and as the Senator from Oklahoma admitted yesterday, every producer will have to be given a reasonable profit on every major product he manufactures.

Mr. TAFT. The margin over costs.

Mr. ELLENDER. Yes, that is correct. And I further said—

Mr. TAFT. If the producers have been in business for 50 years, and most of them have, I do not think a price should be fixed which drives them out of business in the reconversion period. Some, as a matter of fact, have been in business for a hundred years.

Mr. ELLENDER. As I pointed out a moment ago, there were 22,909 business

failures in 1929, whereas in 1944 there were 1,222 failures. So we have had very few failures recently. To my way of thinking that shows that price control is not hurting business.

Mr. TAFT. I think the Senator's figures refer to bankruptcies and business failures, which ordinarily do not occur today. What happens today is that hundreds of thousands of small businesses have gone out of business. Today there are something like 500,000, if I remember the figure correctly, fewer small businesses in operation than there were when the war started. I do not say that that is the result of the OPA policy. That is the result of the war. There are only one-tenth the number of gas stations there were in operation before the war. But my point in that the decrease in business failures is not significant. If a man sees that he must do business today at a loss, he will close up his business before he fails. Many packers saw that if they continued to operate they would go into bankruptcy. Such cases do not appear in the Senator's figures. So I do not think that comparison is significant or important.

Mr. BARKLEY. Mr. President, let me say in connection with the question of failure, that the figures quoted by the Senator from Louisiana are taken from Dun & Bradstreet, and they do not simply include bankruptcies but all business failures.

Mr. TAFT. I think they include only business failures.

Mr. BARKLEY. That is what I said; they include business failures.

Mr. TAFT. The Senator said that OPA would have to go into thousands of books. Here are a number of fixed prices. Those are legal prices. Nothing is going to be done about those prices until somebody complains. If a small producer is unable to separate his costs, is unable to show that the price on canned peas, for instance, is below his cost, he does not make his case, and the OPA is not going to change his price. The burden is on him to separate his costs. I venture to say further that any industry—I do not know about the small individual producer—but I venture to say there is not an industry in this country which if it has a case to make cannot separate the costs of its major product and make a case on which that industry can show what that particular product is costing.

Mr. ELLENDER. That may be the Senator's wishful thinking. I quoted many statements a moment ago from industry itself showing that it does not keep books separately so as to show profit.

Mr. TAFT. I admit that.

Mr. ELLENDER. The Senator admits that, and yet the Senator says that it has to be done.

Mr. TAFT. I did not say it had to be done.

Mr. ELLENDER. Yes; the Senator said—

Mr. TAFT. No, no; because—

Mr. LUCAS. Mr. President, I suggest—

The PRESIDING OFFICER (Mr. MORSE in the chair). Senators will suspend for a moment. The reporter is endeavoring to take down what is being

said, and he cannot do it when two Senators speak at the same time. Let Senators speak one at a time.

Mr. ELLENDER. I am sorry, Mr. President.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. Yes; I yield.

Mr. TAFT. The point I was making was that there may be small producers who cannot separate their costs. There may be industries that have nothing to separate. The last statement I made, which the Senator from Louisiana challenged, was I believe that any industry, if it has to, can obtain cost figures, and have the cost calculation made in such a manner that it can show the cost of any major product the industry makes, if it has sufficient accounting force and ability to do it. To answer further, if it cannot do it, then it cannot make a case under the Thomas amendment or under my amendment.

Mr. ELLENDER. If it has not done so in the past, why impose such a burden on business now?

Mr. TAFT. Because business knows. Those who conduct a business may not be cost accountants, but every business knows whether it is selling its product at a loss or a profit. It knows that instinctively. If it claims its product is being sold at a loss, I say it is not going to put the concern to any great sacrifice to obtain the necessary accounting to prove what the concern knows is true.

Mr. ELLENDER. As I interpret the amendment, the cost accounting on each major product will have to be kept by industry—if I correctly understand the English language.

Mr. TAFT. I do not think so.

Mr. ELLENDER. I advance this further argument that the moment the amendment is adopted and becomes law price ceilings as to all processors become unlawful, because the amendment provides, in so many words, that it shall be unlawful to establish or maintain, I repeat, establish or maintain, with the accent on maintain, a maximum price for any major product—unless what? Unless the books of processors are investigated, and an analysis is made of the cost of his labor, and cost of this and cost of that, and when all that is added together a reasonable profit must be allowed on each major product processed by each processor. I will ask the Senator from Ohio to answer this question. What is going to happen in the meantime? If it is unlawful for OPA to maintain its present ceiling prices and it has to resort to the procedure of going to every processor, examining his books, and fixing his costs, and then giving him a reasonable profit, what is going to happen in the meantime? At what price will the processor sell his goods?

Mr. TAFT. In the meantime, if the Senator will read the whole act, the price that has been fixed remains in effect, and it remains in effect until set aside by some court or changed by the Administrator. There is no provision, so far as I know, for a stay. It is conceivably possible that a man charged criminally who could show that that price is illegal, might escape jail, but when the OPA has fixed

a price no one that I know of has yet insisted that that price was illegal and gone on and consistently charged the higher price and taken the chance of going to jail. No one will do that. If this is his guess, he goes to jail.

We expressly provided in the Price Control Act that when a price was put into effect it should remain in effect until it was changed by the OPA or by an order of the court. There was nothing retroactive about the order of the court. There is no way to hold up a maximum price under the Price Control Act. It goes into effect and stays in effect until it is set aside.

Mr. ELLENDER. But the Thomas amendment nullifies that provision, and supersedes it because it provides "That on and after the date of the enactment of this proviso, it shall be unlawful to establish or maintain" certain prices. If that does not nullify the law, then I do not understand the English language. Bear in mind that the amendment states specifically that the OPA cannot maintain maximum prices, unless—

Mr. TAFT. I do not believe the Senator does understand it. If he reads the entire act—

The PRESIDING OFFICER (Mr. MORSE in the chair). Senators will suspend; and the Chair announces that he will strictly enforce the rule, and will not recognize any Senator who does not first obtain the floor from the Chair.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THOMAS of Oklahoma. I should like to ask the Senator whether or not he voted for the so-called Price Stabilization Act?

Mr. ELLENDER. The original act; yes.

Mr. THOMAS of Oklahoma. Will the Senator yield to me for the purpose of reading one or two lines from the Stabilization Act?

Mr. ELLENDER. Certainly.

Mr. THOMAS of Oklahoma. The Stabilization Act, for which the Senator voted, contains the Bankhead amendment, which reads as follows:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or in substantial part from any agricultural commodity, which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarns) of this act.

That is exactly the same language as is found in the amendment which the Senator is criticizing.

Mr. ELLENDER. I beg the Senator's pardon. I stated that I voted for the original Price Control Act. I did not vote for the Bankhead amendment as I recall. I made a lengthy speech opposing the Bankhead amendment. However, the RECORD will show the position taken by me.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from

Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. TAFT. I invite the Senator's attention to the fact that the original OPA Act is full of provisions such as section 3:

So minimum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices—

Then follows an elaborate calculation:

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

The Senator's argument on the pending amendment could have been made against section 3 of the original Price Control Act; and yet there has been no trouble with that act. Those limitations on price fixing are exactly the same as the limitations provided in the Thomas amendment and in the Taft amendment.

Mr. ELLENDER. I do not so interpret the Thomas amendment. I do not wish to repeat what I have said many times; but, as I understand, the OPA would be bound to give to each producer of major products a reasonable profit. It would be compelled to examine his books and find out his costs, and then allow him a reasonable profit.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. I do not know whether the Senator has placed this evidence in the RECORD. It is evidence which must go to the Administrator himself, the individual upon whom will be placed the responsibility of administering the law. If the Senator has it, he can read it into the RECORD.

Mr. ELLENDER. I intended to conclude my remarks by placing in the RECORD the data to which the Senator refers.

Mr. President, I was very glad to yield to my colleagues during the course of this debate and to have provoked some discussion on this most important issue.

Many contend that what is necessary now is more production. Some are arguing that the adoption of the Thomas amendment, modified by the Taft amendment, which would cover industrial products, would bring about that result. In my humble opinion it would absolutely do away with price control. Senators who contend that it would not destroy price control, and who say that they favor price control, and at the same time would vote for these amendments, are in my opinion simply giving lip service to price control.

The Thomas amendment would do one of two things. It would cause the price of the lowest-cost producer to go up to that of the highest-cost producer, or else, in localities where the same commodity is produced by a number of producers, there would be different prices for the same product. I understand the differences in prices of some industrial products are as much as 75 percent. In the case of processed agricultural products,

the price differential as to some products ranges from 20 to 30 percent.

So if this amendment were to be adopted, the OPA, in administering the law, would have to ascertain the costs of each processor, and give him a reasonable profit on each major product. In one store a can of tomatoes of one brand might sell for 11 cents; another brand of the same kind of tomatoes for 12 cents; and still another for 13 cents. If such a situation were to occur, my guess is that the retailer would not sell the tomatoes for 11 cents, or 12 cents, or 13 cents per can. He would sell them all at 13 cents and make that extra profit. In my humble opinion this would simply open the door to the worst kind of fraud.

I have argued with OPA on many occasions as to some of their rules and regulations. I have had many disputes with OPA and I did not succeed in every instance in convincing the OPA that I was right. From the beginning the OPA had as employees persons who looked to the welfare of the distributor rather than that of the producer. That situation has been corrected to some extent, and I presume there is still some room for improvement. But, Mr. President, on the whole OPA has done a good job. I ask Senators to look into the small end of the telescope, and not the big end and thereby get the whole picture. Let us not ask, "Why has not OPA done better with respect to this product, that product, or the other product?" Let us consider the job as a whole. If it is considered in that light, we are bound to conclude that the OPA has done a good job in administering a most difficult problem. It has helped us immeasurably in preparing our great country for an early victory against our enemies.

I for one do not wish to amend the act to such an extent as to nullify the provisions of the law. My contention is that we are going to need price control to a greater extent after the war, when peace comes, than we have needed it during the war. I think I can prove that by reviewing what occurred after World War I.

As Senators know, after the war we had an inflationary period. Sugar sold for 37 cents a pound. My father produced sugar in Louisiana. He had worked all his life improving the quality of cane and had earned a considerable sum of money. When the inflationary period started after the First World War, he sold raw sugarcane at eighteen dollars and some odd cents a ton. The next year he thought he would make a killing. He planted more sugarcane, and he produced a big crop which cost him over \$10.50 a ton to produce. But he got only \$3.80 a ton for it. In a few years his savings dwindled to such an extent that he had to borrow money so as to operate his plantation. When he died he owed quite a sum of money.

I do not want that to occur again to anyone in this country. Let us maintain this price control, because, as I said, we will need it more after the war than we do now. Let us maintain the value of our dollars, so that when our soldiers return their savings will be worth stable dollars.

I yield now to the Senator from Delaware.

Mr. TUNNELL. Mr. President, I was going to ask the Senator about the Thomas amendment. I see that the OPA would be limited to a ceiling which, as I understand, would provide for a profit. The amendment provides for—a reasonable profit * * * not less than the profit earned thereon by such processor during a representative base period.

Does the Senator have any idea what is meant by the words "representative base period"?

Mr. ELLENDER. I presume it would mean such a period as the distinguished senior Senator from Ohio is trying to establish—namely, 1941. The Senator from Ohio indicated a while ago that almost any period would do, but the fact remains that he selected 1941, which happens to have been the best year in many years.

Mr. TUNNELL. Suppose the producer had made a profit of 50 percent in 1941. Would the amendment make it impossible for the OPA to fix a price which would make the profit less than 50 percent?

Mr. ELLENDER. No, of course not; absolutely not.

Mr. TUNNELL. The OPA would be bound by that margin; would it?

Mr. ELLENDER. Certainly—just as I pointed out that the OPA would have to be guided by profits made in 1941, should the amendment of the distinguished senior Senator from Ohio—which deals with industrial profits—be adopted.

Mr. TUNNELL. Then, in answer to that question, I understand that the real determination would be the cost price, plus 50 percent, if that was the profit made in the representative period.

Mr. ELLENDER. The OPA would have to use that period as the base, of course, and it could not veer from it.

Mr. TUNNELL. It could not provide for a lesser profit.

Mr. ELLENDER. That is the way I understand the amendment.

Mr. TUNNELL. Then the amendment would make it necessary in those cases to have a cost-plus-50-percent-profit price.

Mr. ELLENDER. It would seem that way to me.

Mr. TUNNELL. Yes.

In fact, are not both amendments a cost-plus proposition for American business?

Mr. ELLENDER. That is what I have been trying to argue—although not in that language. But they would result in guaranteeing a profit. Of course the Thomas amendment goes a little further than the Taft amendment, in that the Taft amendment uses the year 1941 as the base for fixing the price. But as I have already pointed out, the Thomas amendment would compel the OPA to examine the books of every processor as to every major product produced by him, figure out what his costs are and what his profits were during the base period, and then allow him a reasonable profit.

Mr. TUNNELL. But that would be only for the purpose of determining whether the profit which he demanded was in accordance with the profit he made.

Mr. ELLENDER. The Senator means to say the profit he made during that period, of course.

Mr. TUNNELL. Yes; I mean the profit made during that period.

Mr. ELLENDER. That is correct.

Mr. TUNNELL. It would be only a test of his figure.

Mr. ELLENDER. That is correct.

Mr. TUNNELL. But as I understand, in neither of the amendments is there any limitation on costs.

Mr. ELLENDER. I presume that in examining the books of any processor the OPA would have to take into consideration the actual costs. I doubt whether any costs could be added to in any way, unless they could be justified. Unless the processor could show actual necessary costs, I do not believe the OPA would be bound under the amendment to accept any and all costs submitted unless they could be justified as I have just indicated.

Mr. TUNNELL. There would be no limitation as to the actual costs; would there?

Mr. ELLENDER. No; but I think the cost of labor, for instance, could easily be ascertained; and the cost of the product could easily be ascertained, as the amendment provides. Beginning on page 1 it specifically provides:

It shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

So the OPA would have to take into consideration the cost of labor, the cost of the animal—in the case of livestock—the cost of processing, the cost of distribution, and, in fact, the cost of delivering the commodity to the distributor.

Mr. TUNNELL. How about the cost of advertising?

Mr. ELLENDER. If that were a legitimate cost, I suppose it would have to be included, also.

Mr. TUNNELL. Then there would be practically no limitation as to cost, and the sale price would have to represent a reasonable profit above the cost; is that correct?

Mr. ELLENDER. That is correct. But I doubt whether the cost could be any more than the customary costs in a similar industry. I presume the cost would be limited to what is customarily chargeable.

Mr. TUNNELL. How could it be tested in that way? What test could be made to show whether it was a proper cost?

Mr. ELLENDER. I do not know. I presume that a test could be made to

show what are ordinary costs in such a business—such a business as the one the processor is engaged in—and I presume that could be used as a guide under the amendment.

Mr. TUNNELL. Is not that only a presumption? The amendment simply requires the allowance of a cost-plus price.

Mr. ELLENDER. There is no doubt about that, Mr. President. There is no question about that. The Senator is entirely correct.

As I have indicated, every processor would be allowed that price for his products. As the distinguished senior Senator from Ohio stated a while ago—and he repeated it two or three times—it simply means that the selling price of the low-cost producer would be brought up to the selling price of the high-cost producer. That would be the result.

Mr. TUNNELL. Does the Senator think there would be any intelligent reason for the continuation of the OPA if either one of the amendments is adopted?

Mr. ELLENDER. I am saying that it would simply nullify the OPA and kill it. It would make the act unworkable.

Mr. TUNNELL. That is what I mean.

Mr. ELLENDER. I repeat that those who say they are for price control, but who vote for either or both of the amendments, will simply be giving lip service to price control.

Mr. TUNNELL. I thank the Senator.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the June 8, 1945, statement issued by Mr. Chester Bowles, Price Administrator. In that press release he covers the situation very well. It seems to be in accord with what I have been contending for the last 3 hours.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"Enactment of either of two proposed amendments to the Price Control Act would mean the end of effective price control and would inevitably result in a general inflation," Price Administrator Chester Bowles stated today.

"No one can question that these amendments would cause immediate and substantial increases in the cost of food, clothing, and other necessities of life," Mr. Bowles said. "Their sponsors say their amendments are intended to raise the prices of these articles. In my judgment, as Price Administrator, they would do far more than this. They would lead to a complete break-down of price control. I refer to the amendments proposed by Senator THOMAS of Oklahoma and Senator TAFT.

"I want to make it perfectly clear," Mr. Bowles said: "that the issues are up to Congress to decide. Congress is our board of directors, and we shall do our best to carry out their decision. As Price Administrator, however, it is my responsibility to state as clearly as possible what I believe the effect of the amendment would be.

"Senator THOMAS' amendment provides that every processor, efficient or inefficient, of any agricultural commodity shall have prices high enough to allow a profit on every major product he sells—over and above any cost he chooses to incur. Agricultural commodities, of course, include wool, cotton, and hides, as well as all basic foods. This pricing formula would not benefit farmers. They would pay more for what they buy and get no more for what they sell.

"We would have to give up uniform pricing, unless we gave everyone a price high enough to yield a profit to the most inefficient. Such a level of prices would not be price control at all.

"A second possibility would be for us to figure an individual price for each product for each firm, based on its own costs and its own profits. We could never recruit the army of accountants needed for these hundreds of thousands of computations, so we might as well eliminate this possibility.

"The only other alternative would be to give every firm a formula for figuring its own costs, profits, and prices. Each firm would have a different price and that price would change with every change in costs, with no incentive to keep costs down. This write-your-own-ticket pricing would be wholly unenforceable. The familiar dollar-and-cent prices which let the consumer know what he should pay would be a thing of the past. The chiseler and the profiteer would have a field day.

"Senator TAFT's amendment applies to all manufacturers, whether or not their raw material comes from a farm.

"The amendment reflects Senator TAFT's view that we have had too little inflation in this war. It requires, for every manufactured commodity or major item thereof, a profit equal to the dollar profit per unit of sale received on that commodity or item, by the industry generally, in 1941.

"While this amendment avoids the quagmire of complete individual seller pricing, it would be no less effective than Senator THOMAS' in raising prices. In the end it would lead just as surely to the collapse of price control.

"The amendment would require increases in the ceiling prices of a majority or near majority of all manufactured goods. OPA would be required to disregard entirely the over-all earnings position of an industry and allow price increases on each separate product having a profit below the prescribed standard. Widespread price increases would be compelled in the most profitable industries as well as in the least.

"Senator TAFT has picked out a profit standard which would raise manufacturers' total profits far above the record levels even of 1944. In 1941, when the inflationary upsurge had not yet been checked, dollar profit margins (that is, the profit per unit of sale) were the highest in recent times—higher even than in 1944. This inflated unit profit, multiplied by the greatly increased volume of sales, would produce fantastic total profits—profits which, I am sure, the responsible leaders of American industry do not seek.

"The amendment proceeds upon the assumption that manufacturers maintain an accurate product-by-product break-down of their costs. Our experience in seeking such figures has made it completely clear to us that many, indeed most manufacturers, simply do not do so. Thus the amendment could not be administered except by guesswork. Guessed-at prices are invariably high prices.

"Above all, it must not be thought that the initial price increases required by either amendment would be the only ones. One man's price is another man's cost. Each price increase would lead to another. Bitter experience has taught us that once this dangerous spiral starts, its only end is collapse.

"These two inflationary amendments are proposed in the face of facts which show conclusively that during the wartime period production has increased enormously, incomes of business, farmers, and labor have all grown to unprecedented levels, and there has been less individual economic hardship than at any other time in the country's history.

"The reconversion period brings new problems. Under the present law OPA can and will gear its price policies to the needs of the reconversion period so as to promote full employment and full production—the only final answer to inflation."

LEAVES OF ABSENCE

During the delivery of Mr. ELLENDER's speech:

Mr. LA FOLLETTE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LA FOLLETTE. I ask unanimous consent that I may be excused from further attendance upon the Senate for the remainder of this day.

The PRESIDING OFFICER (Mr. MORSE in the chair). Without objection, the Senator from Wisconsin is excused.

Mr. SMITH. Mr. President, I ask unanimous consent to be excused, so that I may keep an important speaking engagement in New Jersey this evening.

The PRESIDING OFFICER. Without objection, the leave is granted.

EXTENSION OF EMERGENCY PRICE CONTROL ACT OF 1942 AND STABILIZATION ACT OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. HICKENLOOPER obtained the floor.

Mr. MOORE. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield to the Senator for the purpose of enabling him to ask a question.

Mr. MOORE. I should like to ask a question of the Senator from Louisiana, who has been speaking. I noticed that the Senator repeatedly stated he thought it essential to maintain price control after the war.

Mr. ELLENDER. Yes.

Mr. MOORE. Will the Senator be more specific about that, and will he say for how long a period after the war price control should be maintained, in his opinion?

Mr. ELLENDER. It should be maintained just so long as production does not reach the demand for any particular article. I understand that under the present law the OPA may take the ceiling price off any commodity at will. I think it has done so during the past when the supply of a particular commodity equaled the demand for it. Under the act in its present form I am certain that should any commodity which is now under price control be produced in such quantity as to make price control in relation to it unnecessary, no further law would be needed in order to permit OPA to release such product from price control.

I assert with all earnestness that I believe it is imperative for the future of our economy to maintain prices even though they have to be maintained for as long as 5 or 6 years from now. Let us maintain price control so as to stabilize our economy. We want our dollar to be worth a dollar in American money. Let

us not permit our economy to drift into a situation similar to that which now prevails in China and many other countries.

Mr. MOORE. I agree with the Senator.

Mr. ELLENDER. I am glad that the Senator agrees with me.

Mr. MOORE. I believe that it is generally conceded that the demand for all products and commodities which America can produce will be enormous during the reconversion period. The demand for food products will be enormous because the world must be fed from the production of America. Is it not essential that some kind of incentive be provided for the purpose of increasing production to the very limit in order that we may feed ourselves as well as other nations of the world? Can we achieve maximum production under the present policies of the OPA?

Mr. ELLENDER. I think we can.

Mr. MOORE. Is it not generally conceded that so far as the shortage of food is concerned the Committee on Agriculture and Forestry has learned that because of mismanagement by the OPA under the law itself a shortage of food has resulted?

Mr. ELLENDER. I cannot agree with that statement. I recently made a speech of almost 2 hours in duration in which I made the situation quite plain. It is my honest conviction that the reason that our country has been able to go along industrially and produce ships, cannon, and other articles of war in vast quantities has been the stabilization of prices.

Mr. MOORE. We are talking about food.

Mr. ELLENDER. I understand that; but the same situation applies with respect to food. As the Senator has indicated, our production may not be in the same volume as it is at the present time. However, it is my honest conviction that because of price stabilization and the incentives which have been furnished through the WFA, our country has been able to increase its food production one-third over the prewar volume.

Mr. MOORE. The Senator's statement suggests another question which I should like to ask. The object of holding prices within reasonable bounds is to protect the American dollar and prevent inflation, is it not?

Mr. ELLENDER. That is correct; and the object is also that of aiding production.

Mr. MOORE. Yes. Does the Senator contend that the incentive which has been offered to producers in the form of subsidies is or is not inflationary in itself?

Mr. ELLENDER. I have debated that matter on several occasions.

Mr. MOORE. Possibly I was not present when the Senator addressed himself to the subject.

Mr. ELLENDER. It may be inflationary, but not to the extent it would have been had we not resorted to subsidies. As I pointed out some time ago in the Senate, if we had not resorted to subsidies the prices of certain commodities

would have increased, thereby adding approximately \$80,000,000,000 more to the cost of carrying on the war. Under the price-control system—

Mr. MOORE. Let us be a little more specific. Those figures are quite general.

Mr. ELLENDER. Yes, but they can be easily ascertained to be true.

Mr. MOORE. How does the Senator reconcile the number of livestock in the country with the shortage of meat which now prevails?

Mr. ELLENDER. Of course, as the Senator knows, there is no doubt that we have a meat shortage at the present time. That is due largely to maldistribution.

Mr. MOORE. There is no shortage of cattle.

Mr. ELLENDER. Yes; there is a cattle shortage. I do not mean there is a shortage at the present time in comparison with previous periods; but I mean that there is a shortage when we take into consideration the necessity of appeasing the appetites of the American people.

Enormous amounts of money are now in circulation, and the purchasing power of the American people has increased. The demand for meat has increased, and there is not a sufficient supply to appease the appetites of the American people. Compared to prewar production we have an enormous supply of cattle. Compared to the amount of meat that could be sold and consumed at present because of the huge buying power of the American people, we are short of cattle.

Mr. MOORE. What is the reason for that situation?

Mr. ELLENDER. I cannot conceive of our ability to produce—

Mr. HICKENLOOPER. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield.

Mr. BUTLER. I should like to propound a question to the Senator from Louisiana who has spoken at considerable length, and very forcefully, in behalf of certain phases of the question confronting us today in connection with the OPA. The Senator has failed totally to mention one phase of the question which concerns me at the moment. I refer to the fact that we are facing a reconversion period, and if we follow the rules and the formula which have directed OPA policies in the past we shall be confronted by new problems. We are now about to enter the reconversion period and already, in many places throughout the country, employment has been reduced from the 48-hour week to the 40-hour week. Only yesterday a delegation of men representing certain unions was in my office and stated that they believed it would be only a short while before the 40-hour week would be reduced to a lower level. That brings our country face to face with this question: What effect will the OPA policy have on reconversion if it continues its policy of profit control instead of price control?

In this connection, Mr. President, I wish to read one telegram of many which I have recently received. This

telegram was sent to me by a merchant, and reads as follows:

I am very much in favor of only a short extension of Price Control Act for 3 months and easing of regulations to encourage the manufacture of needed merchandise. New maximum average price order effective June 1 is unwise and unworkable and will cause many factory closings unless modified at once.

I now wish to read from a letter which I recently received from the largest manufacturer of brooms in the world. He was in my office not long ago and told me that brooms were being imported from Mexico. I asked him to explain why that was being done. He subsequently wrote me the letter to which I have referred, from which I read as follows:

Now, with regard to the Mexican broom question, we have a customer in Pennsylvania that buys a great many whisk brooms from us, but we have never hoped to sell them very many house brooms because of the fact that we were catering at all times to the better class of broom trade, and they were considered more or less of an outlet for common and medium-grade merchandise, but to my surprise we received an order for some 200 dozen of one of our best-brand brooms, which we sold to them at \$10.75 per dozen, and which we know the housewife would cheerfully pay 50 cents more for than the broom they have been offering their trade made in Mexico, for which they are paid \$15.50, and are being retailed to the trade at \$1.65, or at least they were up until the last report I had, which is not over 3 weeks old.

The highest-price broom we made is being sold at approximately \$3 per dozen less than those being offered to the trade for which this customer of ours is paid \$15.50 per dozen, and it would not in any way compare with the cheapest brooms we have to offer, but what provokes me is that OPA is trying to set up a regulation for us that will, in many instances, force the broom manufacturers in the State to reduce their ceiling prices, and yet they will price into the consuming public a broom for which the trade must pay \$1.65, and is not worth to exceed \$1 even by stretching the value, because of the acute shortage existing in house brooms.

What I object to is for OPA to price brooms imported at a much higher price than we are getting, still they are trying to tell us that we are too high.

The situation facing us in the reconversion period is not a trivial matter, because it concerns thousands and tens of thousands of small-business manufacturers who, in the total, make up the largest number of employers in our entire country. What I am about to say has to do with a small firm that, like almost all other manufacturing firms, has been making war material until recently. Their business in that line dropped off, and they are looking forward to the future; they want to keep their employees, numbering between 50 and 60, and they desire to put on the market an article which they desire to manufacture.

Early this year the Ford Aircraft Tool Manufacturing Co., of Omaha, Nebr., made application to the Office of Price Administration to establish a price on a cigarette lighter which they hoped to manufacture. The principal objective of the company in planning to manufacture these lighters was first to soften the shock of the reconversion activities and to prevent unemployment, so far as

humanly possible, in their line of business in Nebraska.

During the war this company manufactured products which were of extreme importance and value in the prosecution of the war. Considerable credit should be given to the initiative and ability of any concern which, anticipating a necessary reconversion program because of cut-backs in war contracts, proceeds immediately to adapt its equipment and machinery to a peacetime product that would prevent unemployment.

An unnecessary amount of delay attended the review of the application by the OPA's Durable Price Branch of the Consumers Goods Division in the Price Department, necessitating the company to send representatives to Washington at considerable expense on several occasions. While the Ford company had very thoroughly investigated the manufacturing and material costs with relation to the production of the lighter and had established what they felt was a fair market price, the OPA contended that the price was entirely too high and away out of line with the price set for other lighters of comparable material. This allegation was made in the face of definite information that several lighters slightly inferior in quality and cost had been priced much higher than the price the Ford company had asked for. Representatives of the OPA contended that they had made a mistake in permitting a high price on these other lighters and intended to roll back the price.

In view of the fact that the venture into the manufacture of cigarette lighters was a new experiment for the Ford Co., they very sensibly asked for a fair price to permit them to go ahead, with an understanding that if after production was attained there were excessive profits, they would on their own accord ask for a new price bracket and roll back their own market costs. This very sensible and businesslike approach found very little sympathetic response from the OPA. They would not even agree to permit a reexamination after a 6 months' period of operation to allow an increase in the price if production and material costs resulted in a loss to the company. The argument was based primarily on the allegations that other recognized companies were producing similar lighters much cheaper. No consideration was given to the fact that other recognized manufacturers had already established production and marketing channels for lighters and in the process had been able to stabilize their overhead and manufacturing costs.

It is just sensible business to know that a new company which in the instance of manufacturing cigarette lighters has to purchase dies and other materials, cannot compete immediately in price structure with old and established firms, but lack of this principle and a refusal by the OPA to recognize it practically precludes any new company from going into business unless they are willing to make a large capital investment against a background of tremendous risk of ever realizing any profitable return.

After negotiating with the OPA for a period of about 4 months, a price was

established only after the company decided that it would be probably better to go into the manufacture of the lighter even if the price set meant a loss in the company's operations. In a further attempt to stabilize business activities in my State, this company designed another lighter and submitted it to the OPA for an allocation of price. A similar delay is being experienced on this item.

I point to these matters in the hope of showing the very unrealistic and unbusinesslike approach that many concerns in this country must face in having to go before the juvenile minds in OPA in order to establish a private business that would soften the blow of unemployment and aid tremendously in bridging the gap between war-contract and peacetime operations.

I may say in this connection, Mr. President, that the distinguished Senator from Louisiana has been talking of what has happened in the past. He has not given one single thought to what faces us in the future which, to me, is far more important than the statistics he has been reading of what has happened in the past.

Mr. ELLENDER. Mr. President, if the distinguished Senator will permit me, I may say that I believe other Senators desire to speak, and I do not think it is exactly right for me to cover the whole subject. I want to leave my good friend, the Senator from Arkansas [Mr. FURBRIGHT] an opportunity to talk on the point raised by the Senator from Nebraska; but, as I understand, the OPA has worked out a plan for reconversion, and, with the permission of the distinguished Senator from Iowa, it may be that the extended question asked me by the Senator from Nebraska can be answered by the Senator from Arkansas. Will the Senator from Iowa not permit the Senator from Arkansas to do that?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HICKENLOOPER. Mr. President, I agreed some time ago to yield to the Senator from North Dakota [Mr. LANGER] for the purpose of putting an editorial and some other matter into the RECORD, and then I shall yield.

(At this point Mr. LANGER asked and obtained leave to insert in the RECORD certain matters, which appear in the Appendix.)

Mr. PEPPER. Mr. President—

Mr. HICKENLOOPER. I yield to the Senator from Florida for a question.

Mr. PEPPER. I wanted to make a brief observation, but I can make it in the form of a question.

I wanted to comment on the interrogatory propounded by the Senator from Nebraska relative to the reconversion period. I am wondering if the Senator is not overlooking the larger aspects of the reconversion period by failing to take into consideration the changed economy into which we shall reconvert as compared to the system from which we converted. For example, when we began to convert to war we had a national debt of, say, \$35,000,000,000. Now we have a national debt of \$288,000,000,000. That money is in circulation or in institutions in the country. Before the war we had currency in circulation of, we will say,

four or five billion dollars. Now we have currency in circulation of \$28,000,000,000, which is in the hands of the people. So the economy into which we are going to reconvert is quite a different economy from the one from which we converted to a war economy. Did the able Senator from Nebraska himself not lose sight of the fact that half of the families of this country make less than \$2,000 a year and that when the price structure is disarranged and prices are permitted to rise the income of half the families of America who make but \$2,000 a year is seriously reduced?

So, in order to give one manufacturer a better price than he has been getting, and a little more profit than he has been receiving, I am sure the Senator would not want to open the Pandora's box of inflation, which would result in very grave injury to the majority of the people of our country. The able Senator must remember that the war is not yet over, so that the question of reconversion is not so acute.

Mr. BUTLER. Mr. President, with reference to what the distinguished Senator from Florida has said, I should merely like to ask whether he approved of a small industry which is attempting to reconvert and continue in business having to go before the OPA, the kind of an OPA we have had thus far for about 3 years, to obtain permission to join up with the new economy about which he speaks.

Mr. PEPPER. The answer is "Yes; I do believe it is required," because we have to run this activity on principle, and for all the people, and we cannot have a rule that will apply merely to one person. I think the man who goes to the OPA is entitled to a sympathetic hearing and is entitled to have his case adjudicated on the basis of justice and common sense, but certainly everyone should have to conform to the standards of an agency trying to protect all the people.

Mr. BUTLER. The Senator's remarks would indicate to me what we have been told rather frequently, that the OPA is not a temporary organization or a war set-up, but is intended to be permanent in the United States, and to that I am opposed.

Mr. PEPPER. No; the able Senator is in error about that. I do not know of anyone who has proposed a permanent OPA, any more than a permanent WPB has been proposed; but in the interest of all the people the present controls should not be too quickly relinquished, because we are out of equilibrium, and until we get back to something like the equilibrium of normality, it would be an injustice to the masses of the people not to give them some protection through a disinterested agency.

Mr. BUTLER. Does the Senator from Florida think we will get back to a private-enterprise economy more quickly by following the OPA rules and regulations, or by permitting reasonable or even rather unreasonable profits on certain articles, until men are reemployed?

Mr. PEPPER. To answer the Senator's question, I think we will get back more quickly following the former course which the Senator indicated. We cannot

expect to get back to desirable normality through the portals of chaos.

Mr. TAFT. Will the Senator from Iowa yield that I may cite one case?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I have in my hand a telegram handed to me by the senior Senator from North Dakota [Mr. LANGER] which illustrates a situation from one to three examples of which I receive every day. This is a telegram from the Buffalo Coal Mining Co., of Matanuska Valley, Alaska. It reads:

ANCHORAGE, ALASKA, June 8, 1945.

Senator WILLIAM LANGER:

By reason of amendment 43, April 27 this year, to Maximum Price Regulation 288 issued by Office of Price Administration, Buffalo Coal Mining Co., of Anchorage, and mining coal in Moose Creek, Matanuska Valley, Alaska, has been forced to shut down operations by reason of prices set which is far less than actual cost of production. * * * Foregoing OPA order effective May 17 reduced all prices about \$1.70 per ton from going price and about \$2.70 less than production costs figures on 10-month period July 1944 to May 1945. Price differential could have been adjusted immediately pursuant to amendment by OPA office at Juneau, Alaska. * * * Records of production costs covering above period have been in hands of Mrs. Mildred Herman and W. W. Woodall of OPA since May 24, and conferences held without any results. This serious condition being treated with seeming indifference. Shut down of mine has caused miners to be thrown out of work in addition to lack of coal urgently needed. Amendment by OPA must be made to OPA regulation thereby allowing at least production costs.

Mr. President, that happens over and over again, because the OPA does not care whether it puts people out of business or not.

Mr. PEPPER. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield, but after this I shall ask Senators not to request that I yield further, for a time, because I have been yielding for about 40 minutes.

Mr. PEPPER. I wonder if the able Senator from Ohio would really wish to make the charge against any group of his fellow citizens that they do not really care whether people go out of business or not. There may be errors in administration, the OPA may not have been able to decide every case rightly, or as quickly as it should have been decided, but the able Senator, being one of the distinguished lawyers of the country, I dare say has many times complained about a decision in a court which he did not like, which he thought was erroneous, and by which he thought a client was deprived of something that was his. Yet that does not mean that we disestablish the judicial system of the country, and that we fail to abide by law, that we quit submitting our disputes to judges and juries, who do err. I am sure the able Senator may have pointed out a case where the proper result has not been reached, or the result was not reached in the right time, but those of us who have had experience in courts know that we have had occasion to complain about judges and juries, but we did not set aside the judicial system.

Mr. TAFT. Will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I fully agree with what the Senator from Florida has said, and that is the approach I have made right along, until the cases became so numerous that they have come to me every day, and from almost every industry. Yesterday I cited, not 1 case, but about 15 cases of widely different industries, in which exactly the same attitude has been taken. I stated that I had come to the conclusion regretfully that the OPA was willing to sacrifice justice in an individual case, or the production that is necessary for this country, in order to carry out its preconceived economic theory of the absolute necessity of a retail price freeze on everything, and an opposition to an increase of any kind.

Mr. PEPPER. But the able Senator, of course, recognizes the vast multitude of individual industries there are in this country. They run up into the hundreds of thousands, and, if we take them all, into the millions. To make an individual decision in every case, the Senator, with his sense of fairness, would recognize to be a superhuman task. So the OPA generalizes as much as it possibly can, because of the impossibility of dealing with each individual case. Perhaps the Senator having called these matters to the attention of the OPA will get quicker action than the parties aggrieved were able to get.

Mr. MOORE. Will the Senator from Iowa yield to me a moment?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I assure the Senator from Iowa that I ask for the floor merely to submit an amendment which I desire to offer to the joint resolution. I submit the amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. HICKENLOOPER. Mr. President, for the last 2 or 3 days we have been having extensive and sometimes heated argument about the question of the continuance of one of the great war agencies of the Government, or amendment of the law under which it was established. I think it is significant to note that this agency has been operating during the war period, for about 3 years; that each year its power has been renewed; that only at this time has the apparent great wave of opposition and resentment to the activities of OPA been given strong voice, and there must be some reason for that.

In the first place, I believe that the overwhelming number of people in their own minds believe that price control in wartime is a necessary step in order to prevent a spiraling price structure. I believe the evidence of the last 3 years has shown that the American people have cooperated magnificently in controlling prices, and in putting up with restrictions and shortages and minor disagreements and disabilities. I think the record is very clear that in the last war the American people did a magnificent job in the way of cooperation in the economy of the United States. I think that if the Members of the Senate will study carefully the figures which the

Senator from Ohio put into the Record a short time ago as to comparative cost of the first 19 months of the First World War and the first 19 months of this war, they will be astounded at the similarity of the curve and the similarity of the costs.

It is to be noted that in the First World War the cooperation was voluntary. It did not require all the vast army of employees which now exists, and the millions upon millions of dollars paid out for enforcement and minute regulation and interference with business. But it was a voluntary cooperation which gave splendid results. However, in this war we have followed a different course, a course of compulsion, and a course of enforcement, if you please, by a myriad of officers running all through our States and cities and counties and communities in various, in fact, in all kinds of economic activities, as well as in many of the social aspects of our society. The result is that today a tremendous storm of protest is rising in this country, and so much of it is centering upon the activities of OPA that there must be some reason for it, and I think there is.

Manifestly in time of emergency or time of war it would be desirable to pass a general enabling act and then trust to the good sense and the good judgment and the vigor of the administrative officials to conduct the administration of the act in the best interests of the public and in the best interest of the war effort. I say that would be the ideal as an emergency measure. Of course I want it clearly understood that I believe that no system of control of our economy, except moral controls, have any place in a free American system of competitive enterprise as a peacetime proposition. But, unfortunately, I think that every Member of the Senate and every Member of the House of Representatives has his mail full of complaints citing instances of various lines of business throughout the country being strangled, denied the right to operate within any limits of ingenuity, constantly controlled, and supervised, all that has a strangulating effect on our economy which will be felt, I believe, more acutely in the postwar reconversion period than it is even at this time.

Mr. President, there has been considerable discussion in the Senate yesterday and today respecting the philosophy of OPA and concerning the intent of the law, but it probably is a continuance and an emphasis of the attempt Congress made, or thought it made, along the direction it considered proper in order to correct some of the inequities of the administration of this great activity. As the Senator from Oklahoma [Mr. THOMAS] pointed out yesterday or the day before, the Congress has three times attempted to define the administrative limits within which the OPA should operate. The last attempt was the Bankhead amendment. That was read a moment ago, but I desire to read it again, because I think it bears very materially upon the amendment of the Senator from Oklahoma. The Bankhead amendment was adopted in 1944 as

an amendment to section 3 of the Stabilization Act, and bear in mind, we have been operating under it without any disruption of our economy, without any spiraling prices necessarily except the natural spiral that has gone on. This is the language of the Bankhead amendment:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

That language was adopted last year. Again for emphasis and again in realization that the Senator from Oklahoma pointed this out and it has been pointed out before, may I, however, read the language of the Senator's amendment:

It shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or in major part from cotton or cotton yarn resulting from the processing of any agricultural commodity—

And so on. The language is practically verbatim. The line of disagreement in this argument seems to be on the question of the words "each processor." I should like to speak for just a moment on my understanding of that provision and my belief as to how it could and should be administered.

Let us first bear in mind that the OPA today has full power to readjust the prices of any and every manufacturer, processor, distributor, or otherwise within the scope of the law as it now stands. OPA not only can do it but is doing it in increasing degree throughout various branches and agencies. So this language gives OPA no greater duty, no greater power, than it already has.

In the administration of this amendment, as I conceive it, the OPA would simply make use of the voluminous files and the intricate and accurate information it already has. After reading repeatedly the testimony taken by the full Committee on Banking and Currency, and the subcommittee, I for one do not hold for one minute that OPA has to reach out and get another figure. OPA has been gathering the figures for 3 years and doing, in my opinion, what it has no right to do; namely, to go back in various businesses for years and getting their figures and statistics. Many times those figures are not available, but that has been a part of OPA's minute regulatory system. Nevertheless OPA has been gathering these figures, so OPA has them respecting all major industries. OPA has the figures, otherwise it could not fix the arbitrary prices it now has put into effect on even small items.

I wish to illustrate that by referring to one business, that of a man who makes stockings and socks. He manufactures 104 different types and kinds of socks. OPA has no difficulty setting the price on

the socks which he manufactures. It is true OPA has set a price on 63 lines of his socks which in each case is below the provable cost of production, and it has set a price on 41 of those lines above his cost of production. So he is making a modest profit. But OPA has no difficulty in coming to the conclusion as to what the price should be on the various lines. OPA has gone so far as to set the price on screws which go into machinery, screws which are almost too small to pick up with the fingers. OPA has gone from that to setting the price on airplanes and locomotives. OPA already has run the whole gamut of our economy in all its minutiae, so OPA cannot be heard to complain that a little detail in the enforcement of the Thomas amendment would either stymie OPA, block OPA, or cause a spiral of inflationary and advancing prices. I cannot hold with that argument at all, because in the past, in my opinion, in the field of minutiae, the OPA has gone far beyond any requirement that could be made under the terms of this amendment.

I believe that the amendment of the Senator from Oklahoma could be enforced easily and simply. With the figures it has at the present time, the OPA knows, within a fraction of a cent, what the cost of small-cost articles is, and within a fraction of a dollar what the cost of greater-cost articles is. It would not be difficult for the OPA, if it cared to administer this amendment in the spirit in which the Congress would write it, to determine the proper prices.

There, Mr. President, lies the crux of the whole administrative end of OPA—the intention in the minds of those who administer the law. If they cared to administer the Thomas amendment in a frank, friendly, and efficient spirit, they could establish satisfactory prices for the products of businesses coming within the terms of the amendment. There would be no complaint whatever, and no occasion for examination of complaint. Thereafter only companies which could prove that they were operating at a loss, or operating at a margin below that established by the Thomas amendment would ever come in and prove their cases. Manifestly, unless no attempt were made to falsify its records, no company would come before the OPA unless it thought it had an airtight case and could prove beyond doubt that it was operating either at a loss or at such a close margin that it came below the standards of the Thomas amendment.

It seems to me that this amendment could be administered simply if the OPA desired to administer it simply. If the OPA wished to make it complicated, it could make it complicated. But there is no necessity under the Thomas amendment to examine the books of every company in the United States in every line of business. There is no provision for it. There is no requirement for it under the Thomas amendment. If that should be done, it would be because the OPA would be going far afield and stretching the law in its administration of the act.

It is true, as was stated here yesterday or the day before, that attention has been focused on this situation primarily be-

cause of the meat shortage. It does us no good to stand here and say that there is a great deal of meat in the country. Your wife and my wife, Mr. President, know that they cannot buy meat when they go to the grocery store or the meat market. It does no good to say to the American public that there is plenty of meat in the country. Perhaps there is plenty on the hoof; but we have not yet reached the point of eating it raw. There is comparatively little meat in legitimate channels.

I have before me an admission of the shortage. In the Washington Star of May 18, 1945, there is an account of an interview with Mr. Chester Bowles, the Price Administrator. We have heard much said on the floor of the Senate, and in various other places, about 117 pounds of meat per capita, or 126 pounds, or 130. Whatever figure one uses, it probably cannot be successfully disputed. I would not dispute whether the correct figure is 117 or 130.

The news story in the Washington Star of May 18, 1945, is headed "OPA Chief estimates per capita meat quota at 60 pounds this year." Let me read the story:

Price Administrator Chester Bowles today let housewives in on a Government secret—when the Agriculture Department estimates the per capita consumption of meat at 115 pounds a year, actually only about half that amount of meat will be available in stores under the rationing program.

I believe that is not an overstatement.

"Without realizing that a considerable part of the total rationed food supply goes to civilians in the form of manufactured products and through restaurants and other places where food is served, housewives look at the figures, total up the number of ration stamps they have and then wonder how in the world OPA expects them to obtain their share at the present point values," Mr. Bowles declared.

I shall not read the remainder of the story. I ask unanimous consent to have the entire article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPA CHIEF ESTIMATES PER CAPITA MEAT QUOTA AT 60 POUNDS THIS YEAR

Price Administrator Chester Bowles today let housewives in on a Government secret—when the Agriculture Department estimates the per capita consumption of meat at 115 pounds a year, actually only about half that amount of meat will be available in stores under the rationing program.

"Without realizing that a considerable part of the total rationed food supply goes to civilians in the form of manufactured products and through restaurants and other places where food is served, housewives look at the figures, total up the number of ration stamps they have and then wonder how in the world OPA expects them to obtain their share at present point values," Mr. Bowles declared.

Mr. Bowles said the misunderstanding comes from the fact that per capita figures usually refer to total supplies.

"For instance, when the Bureau of Agricultural Economics announced recently that per capita supplies of meat would be 115 pounds annually it did not mean that household consumers would buy all of that meat directly with their ration stamps," he explained.

"Actually, only about half of that meat will move against ration stamps," he said.

"The Bureau figures were based on carcass or wholesale weight and do not take into consideration a 15-percent loss reducing it to butchers' counters. On top of that, some meat goes to public eating places which require no surrender of stamps and some goes into soups and other manufactured products," Mr. Bowles said.

He estimated that these and similar uses, plus normal shrinkage, take up 40 to 50 percent of the total civilian meat supply.

"Thus, instead of 115 or 120 pounds of meat per person to be bought with ration points, it is likely that about 60 pounds on an annual basis will be available at retail counters to the average ration book holder," he declared.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Iowa yield to the Senator from Maine?

Mr. HICKENLOOPER. I yield.

Mr. WHITE. I have been a member of no committee especially charged with the study of the OPA problem, and particularly the meat problem. I have only the general knowledge which I think every Senator has about the situation.

The Senator from Iowa has been speaking about the supplies of meat available to civilians. I happen to have before me a memorandum which excites my interest. I should be glad to have the Senator offer me an explanation of the situation which I shall outline to him in a moment, if he is able to do so.

This is a copy of an interdepartmental memorandum from the treasurer of the Bangor State Hospital, in my State, to the State purchasing agent. It is dated May 28, and reads as follows:

We today contacted Swift & Co., Armour & Co., Wilson & Co., and Penobscot Beef and Provision Co., for any kind of meat, oleomargarine, butter, or eggs. Not a pound of meat, butter, or oleomargarine and no eggs obtainable except that Armour & Co. had six cases of margarine. The same has been about the situation for the past 10 days. No assurance of improvement. A farmer slaughtered a small cow because she injured her foot and we got the carcass; 425 pounds which is practically all the meat we have. Approximately 1,000 pounds of carcass beef is required for a meal here. The kitchen requisitioned 5 cases of eggs this morning. We only had 2 cases. The diet slips for this week call for 40 dozen eggs.

Nearly 1,400 people here to be fed. Can you offer any solution?

I do not know the occasion for that situation; but it seems to me that something is fundamentally wrong somewhere when a State institution caring for sick and unfortunate people is unable to procure, upon any terms or by any expenditure of effort, meat, butter, eggs, and other food products so necessary in the care of patients. Can the Senator, out of his experience and his intimate knowledge, give me any explanation of that situation, and can he suggest what can be done about it?

Mr. HICKENLOOPER. Mr. President, I am glad the Senator from Maine has asked that question. It relates to one of the fields which I had not in-

tended to discuss, because I wished to curtail my remarks somewhat. But it is very important.

In the first place, as a rule, institutions of that kind obtain their meat from supplies which have been shipped across State lines. Much of the meat supply, for instance, on the eastern seaboard and much of the meat on the western seaboard—in fact, in many sections of the country—is dependent upon interstate shipments. That meat must be federally inspected, in order to authorize its interstate shipment. As I said, I did not intend to cover this phase of the subject, and I do not have the exact figures with me, but I believe I can state them with substantial accuracy. Several years ago approximately 70 percent of all the meat slaughtered for human consumption in the United States was slaughtered by federally inspected plants. Approximately 30 percent was slaughtered by nonfederally inspected plants. With the manipulation of prices and in view of the fact that not only was the profit squeezed out of the slaughtering business for legitimate slaughterers but they were actually compelled, beginning some time last year, universally, to sell at a loss, the situation became very difficult, indeed, for them. It became most difficult for them to obtain meat at a price in competition with the prices the black market purchasers would pay for meat of various classes and qualities. The result was that the ratio between the amount of meat slaughtered in federally inspected plants and the amount of meat slaughtered in nonfederally inspected plants began to change, and I am informed that today about 45 percent of the meat slaughtered in this country for human consumption is slaughtered in federally inspected plants, and about 55 percent is slaughtered in nonfederally inspected plants. I would say that generally, without exception, the black market supply of slaughtered meat comes from the nonfederally inspected plants. Let me make myself clear. I do not mean to say that every nonfederally inspected plant is a black market operator; no. Many of such plants are very fine and legitimate, and their complaints will show what is happening to them. But it is from that field that the black market comes.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator permit me to make a statement at this point?

Mr. HICKENLOOPER. Yes; I yield.

Mr. THOMAS of Oklahoma. My amendment is the result of the investigation carried on by the Senate Committee on Agriculture and Forestry. After the meat investigation was completed, the committee prepared a report, and submitted it to the Senate. The amendment then was prepared, in an effort to cure the defect indicated by the report of the committee. Although we have plenty of meat on the hoof, plenty of live animals—about as many as we have ever had, if not more—and although we have as many slaughterhouses as we have ever had, and they are ready for operation if they can operate, the trouble is, as I see it, that many of the slaughterhouses cannot operate. They cannot

operate because of two reasons. The first is that the price ceiling is so low that they cannot obtain their cost of production. So they cannot operate. Others are not operating legally; they have found that if they operate legally they cannot get their money back, so they have gone on the black market.

The amendment is intended to give the slaughterhouses a sufficient spread so that they can buy the animals at the ceiling from the farmer and at the floor of the packing plant and slaughter the animals and process them and sell them within that spread. That is the purpose of the amendment.

Unless the amendment is adopted or unless the OPA modifies its rules and regulations, the situation which now exists will continue to exist, and consequently the eleemosynary and charitable institutions which have been referred to by the Senator from Maine will find themselves in a worse situation than the one which now confronts them. Today they do not have any eggs or butter or meat, to speak of, and the situation will grow worse.

I should like to ask whether any other Senator has a program to suggest as a cure for this situation? My committee has said that this amendment will help. I make the statement that if the amendment is adopted and if it is properly, fairly, and honestly administered—as I think it will be—in 60 days' time we will begin to see an improvement and a correction of the defects which now exist.

Mr. HICKENLOOPER. I entirely agree with the Senator.

Mr. President, I should like to continue with my answer to the question asked by the Senator from Maine. Heretofore the armed forces have required a quota set aside from the federally inspected plants. In other words, they have told the operators of the federally inspected plants, "We want so many pounds of beef and so many pounds of pork. Set that much aside for us." Let us say that perhaps 2 years ago that amounted to 25 percent of what the packing houses produced. But with the armed forces still setting aside the same poundage of meat from the federally inspected plants and with the percentage of meat processed by the federally inspected plants much reduced, it is apparent that in that field alone a reduced amount of meat has been produced for the general public or for institutions of the kind referred to by the Senator from Maine.

I think the amendment proposed by the Senator from Oklahoma is the most constructive step which has been proposed in at least an optimistic hope of doing something about the situation. As the Senator from Oklahoma has said, we must enable the legitimate slaughterers to enter the market again.

I have on my desk copies of telegrams which I believe were placed in the hearings of the Committee on Banking and Currency. Let me say that these telegrams were sent in March, and since that time conditions have become worse. One slaughterer sent the following telegram:

We could kill 1,000-1,200 cattle. Have killed from 500-600 in recent weeks. Reducing kill to 200-300 this week.

Another one said:

We could slaughter from 350-500 more cattle weekly if prices were satisfactory.

That means that if they were not losing from \$15 to \$35 on each steer when they slaughtered it and when it went through their plant, they could slaughter from 350 to 500 more cattle a week.

Another one telegraphed as follows:

Could slaughter 400 additional head per week if prices adjusted favorably.

Another one telegraphed:

We are slaughtering 300-400 cattle weekly. Our normal kill is 1,000. We have capacity to handle 1,200 providing price structure would permit. We have been forced out of the market several weeks as prevailing prices paid would have put us in violation of the maximum.

That means that if they had paid the prevailing price on the black market, for instance, or if they had pushed up their price in order to compete, they would have lost their subsidy, and they would also have lost whatever subsidies the Government had been paying them to enable them to stay in business.

Another packing company telegraphed:

We could increase approximately 150 head weekly.

Another one telegraphed:

We are selling no dressed beef as all cattle are used in sausage production. If prices were favorable we could kill 50 head more weekly.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Will the Senator state the dates of those telegrams?

Mr. HICKENLOOPER. They were sent in March of this year.

Mr. LUCAS. I thank the Senator.

Mr. HICKENLOOPER. I am quite sure they were placed in the Record of the hearings held at that time by the Committee on Banking and Currency.

Let me relate what I was told 10 days ago by one of the Big Four packing companies. Incidentally, I think they can weather almost any storm; they are all right. It is not the big fellows I am fighting for, but it is the little packers who take care of the meat supply of the United States; they are the ones we wish to keep in business.

One of the members of the Big Four told me about 10 days ago that in his entire organization throughout the United States—he has a number of plants—on the day previously, only 40 beef animals had been killed. His organization could not obtain more animals at the price which it was required to pay under OPA regulations.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I should like to have the Senator from Iowa clarify, if he can, his statement that the federally inspected plants are increasing in number. Is that what the Senator said?

Mr. HICKENLOOPER. I cannot be certain about that. I would not want to say that the nonfederally inspected plants are increasing. I believe they are

increasing. What I said was that the proportion of meat killed in federally noninspected plants in this country is increasing. The percentage of total meat killed in nonfederally inspected plants, when compared with the total amount killed in Federal-inspected plants, is increasing.

Mr. MOORE. Meat contracted for by the Government must be federally inspected, must it not?

Mr. HICKENLOOPER. Yes.

Mr. MOORE. And the plants which do not produce meat for the Government may or may not be inspected.

Mr. HICKENLOOPER. That is correct.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I will yield in a moment.

Mr. President, normally there are approximately 350 packing plants in the United States which are federally inspected. At the present time there are approximately 420 such plants. Until the cancellation by OPA of its slaughtering permits there were 25,000 slaughtering permits, including those issued to farm slaughterers, butcher-shop slaughterers, and those who slaughtered for commercial sales.

Mr. MOORE. Most Senators have received inquiries from nonfederally inspected plants. The supply of cattle has been reduced to such an extent that many such plants have been compelled to go out of business. I have submitted to the OPA complaints of that character and the reply has been in effect, "Let the plants become federally inspected." As I understand, when a plant is federally inspected an option can be exercised by the Government on approximately 60 percent of the plant's slaughtered supplies. That situation could destroy, of course, the purposes of the local packers and result in no meat for the public.

Order No. 1, which was recently issued by the OPA, and which was supposed to be to the advantage of the nonfederally inspected plants, absolutely precluded the operators of nonfederally inspected plants from operating.

Mr. HICKENLOOPER. To which order was the Senator referring?

Mr. MOORE. Order No. 1, which was recently issued by the OPA.

Mr. HICKENLOOPER. Yes.

Mr. MOORE. In reply to an inquiry which I made of the OPA in respect to what would take place in connection with the situation existing in Tulsa, to which I referred the other day, in which the operator was compelled to close his plant, the OPA said that the plant might become partially federally inspected. However, that is not an answer to the question. The solution offered by the OPA would not increase the quota of the plant at all, and the cost of operating the plant on the basis of the established quota is resulting in a loss of five or six thousand dollars a month.

Mr. HICKENLOOPER. That is correct, and the plant will have to employ more men and lose more money.

Mr. MOORE. Yes; the plant cannot remain in business. That is what happens under OPA Order No. 1.

Mr. HICKENLOOPER. As an illustration of the general attitude which has been adopted by the OPA, I recall that when the hearings began before the Committee on Banking and Currency, the OPA said that it was looking into the situation, that everything was all right, and it did nothing further about it. The OPA asked some of the packers to submit figures, but it did nothing more until the tremendous demand which followed for meat, a great deal of which was stimulated by the Committee on Agriculture and Forestry investigating the food situation. Perhaps the Banking and Currency Committee did not go into the matter minutely because it was looking at the over-all situation. Three separate attempts have been made recently to rig the price market, not one of which has brought the food situation out of the red.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BUSHFIELD. • Apropos of the discussion of federally inspected and nonfederally inspected plants, I think it is only fair to read a statement to the Senator from Iowa, which was recently made by Mr. Bowles. He stated as follows:

In April, as you know, the OPA was given authority to control the slaughtering of livestock by all nonfederally inspected owners. A program was immediately worked out which called for the registry of all farm and nonfederally inspected commercial slaughterers throughout the country.

So I assume that at the present moment all of the slaughterhouses to which the Senator has referred are either federally inspected or must operate under a certificate, so in effect they are federally inspected at the present time.

Mr. HICKENLOOPER. I do not so understand the situation.

Mr. BUSHFIELD. I show to the Senator Mr. Bowles' letter.

Mr. HICKENLOOPER. It is my understanding that only approximately 420 plants in the United States are now under Federal inspection.

Here is what happened. The OPA went into the situation and issued approximately 28,000 permits to slaughterers in connection with the food program. Then the black market became active. In an attempt to control the black market the OPA canceled all those 28,000 permits. My information is that it has been reissuing them just as fast as applications for them have been received, and that in many instances permits are being reissued to the same persons who had apparently been operating in the black market.

Mr. LUCAS. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. I do not wish to allow the statement of the Senator from Iowa to go unchallenged. I wish to submit certain facts with respect to the subject which the Senator is discussing. I do not have my notes before me, but the facts, as I remember them, are these: Approximately 27,000 permits were originally issued by the War Food Administration. I say that with emphasis because the strongest terms of condem-

nation are constantly being applied to the OPA. The original permits were issued by Marvin Jones, the head of the War Food Administration, and 27,000 of those permits were issued.

Only recently the OPA was given authority to issue permits. It canceled all slaughtering permits, and asked the holders of them to submit verified statements with respect to what they had done during 1944, and, perhaps, in 1943. In more than 30 days' time only 11,000 applicants had asked to have their licenses renewed. That is pretty good evidence that approximately 17,000 persons were probably engaged in black-market operations. In other words, one of the questions asked of those slaughterers was, "Were you engaged at any time in selling meats above the ceiling? Were you engaged in black-market operations at any time?" I believe that perhaps in a short time we shall probably find that our black-market meat, or at least a part of it, which has apparently been handled by 17,000 operators, will be explained to a considerable extent.

Mr. President, I did not want to allow the impression to remain that these same permits are being issued in every case to the same persons who had formerly held them.

Mr. HICKENLOOPER. Mr. President, I read from a report which I believe gives the figures as of the date of the report:

On May 14, under our new authority, the licenses previously issued by the Government to the 26,436 nonfederally inspected commercial slaughterers were canceled. By May 25 only 15,220 nonfederally inspected slaughterers had registered with OPA for their quotas.

I think both the Senator from Illinois and I probably were a little at variance on that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Let me finish this statement.

No doubt some of those who have not registered still intend to do so. It is fair to say, however, that the 11,216 who failed to apply have been operating on the black market. However, they can no longer do business.

That is a theory, of course, which I think has not been substantiated, and I think there is much argument on the other side.

Mr. LUCAS. Mr. President, if the Senator will permit, I agree with him that not enough time has passed to give a fair test, but the mere fact that 27,000 of these licenses were issued and the way the slaughtering industry has been making money lead me to say it is a pretty safe gamble that with 10,000 or more still out there is something radically wrong, or they would still be in business; they would not wait 30 days to ask for a renewal of their licenses to slaughter cattle and hogs and other animals.

I hope I am wrong in that, because I do not want to impugn the patriotism or the motives of any slaughterer in this country, but I think it is a pretty safe guess that there is something wrong; otherwise, these men would be here. But the statement I challenged was that the OPA

had issued these permits right and left to apparently the same people who had been in the black market before.

Mr. HICKENLOOPER. I have rather interesting data here furnished by the OPA—bulletins informing people how to renew their slaughtering permits. They said: "If you did not collect the ration points for your meat last year, you will have to agree to do it this year, and please tell us how much meat you sold without ration points and how much with ration points." That indicates that it is a simple matter to get a permit back. All they have to do is promise to be good from now on.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. My only reply is that 15,000 have been able to comply with the questionnaire the OPA sent out, and if those 15,000 could comply with all the questions asked, perhaps the other 10,000 could, too, if they were on the square with the OPA rules and regulations and the price-control law.

Mr. HICKENLOOPER. I do not have enough of the facts, and I doubt if anyone has, as to these 8,000 or 10,000, to produce the exact proof.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BUSHFIELD. I should like to call the attention of the distinguished Senator from Iowa to the particular language which he quoted in the statement or letter from Chester Bowles. He spoke of maldistribution of meat in this country. That is the only difficulty with the so-called meat shortage in the United States today, namely, maldistribution, and the OPA has exclusive jurisdiction and charge of the distribution, and has had for months.

Mr. HICKENLOOPER. Mr. President, the question of meat is the big issue in connection with the price policy of this country. We have the question of production in all lines of our economy, but, as I stated earlier, meat is the thing which has focused the attention of the country upon this issue.

As in the case of meat, I think in the case of many manufactured products, every Member of Congress, both of the House and the Senate, has his mail clogged with complaints on the part of people who are known to be members of a group of honest and reliable persons who make assertions and statements and who give their calculations showing that under present price regulations in many instances they are being forced to operate at a loss.

Mr. President, repeated examples have been given by the Senator from Ohio and others along that line. I shall not plow that ground again, because it would be repetition. Literally hundreds and thousands of examples could be put into the RECORD, but enough have already been inserted for illustration, and in my opinion to anyone who cares to read, they present a rather ominous picture of the determination of a Federal agency to disregard the economy of the country in

the interest of maintaining a record, and, if you please, a line.

I say here and now, Mr. President, that I am of the firm conviction that OPA has now come to the point where it emphasizes the maintenance of a line, the curve of a chart, and its great tendency is to disregard the whole economy that goes into the building of the chart. In fact, we have a number of statements of OPA officials to this effect, "Yes, it is perhaps true that some businesses are going to have to quit under this over-all-profit yardstick, but what of it? Look at the line of price we have maintained." That field, too, has been ploughed. Grade deterioration has been discussed. The fact that we cannot really buy the merchandise today in many instances which goes to make up the price curve, but we have to buy some other and more expensive class of merchandise, is not taken into consideration in the price calculation.

In making their economic curves and charts respecting the price of commodities they do not consider the great subsidy payments made on these foodstuffs. They do not consider a great many factors which go into the actual dollar out-of-pocket cost of living of the American public, but they seem to be possessed with the idea of pointing to a curve and keeping that line on the board running somewhat level, and as I stated before, disregarding the economics of this country which go to make up that curve. Therein lies the danger.

For a little while I want to speak about one phase of enforcement by OPA which I think has contributed to the restlessness and to the discouragement of the American people. That is the minutiae in OPA enforcement and regulations which I discussed a while ago.

First, let me call the Senate's attention to a story which appeared in the Chicago Tribune of June 5 last. I shall not read all this story. There is an editorial in the Chicago Tribune dealing with it. I shall ask leave to place the story and the editorial in the RECORD in order that I may consume less time than I otherwise would. Those who wish to read the story and the editorial may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

The news article and editorial are as follows:

FARMER DEFIES BUREAUCRATS OVER KILLING TWO COWS—OPA ISSUES RULE ON INJURED ANIMALS

The legal status of the carcasses of two cows that were struck by a train and then slaughtered Monday by Elmer Bastian on a farm near Hinckley, De Kalb County, was uncertain yesterday, Office of Price Administration officials in Chicago said. But Miss Verna Lee, chief clerk of the ration board in Sandwich, which serves Hinckley, said the two men had obeyed regulations.

"Bastian obtained a permit to process the carcasses," she said, "and we authorized him to sell the meat on condition that he demand points for it."

NEW RULING ON INJURED ANIMALS

The circumstances of the slaughtering prompted Robert M. Harper, district director of the Moline OPA office, in whose jurisdiction Hinckley lies, to announce a series of meetings of farmers to clarify the tangle of

red tape and regulations surrounding home butcherings.

"We are going to tell the farmers," he said, "that although a permit ordinarily is required before slaughtering an animal, in case of injured animals a farmer is free to go ahead with the slaughtering and to notify us immediately afterward."

The Bastian cows, with a third, had strolled into the path of a Burlington freight train early Monday. One animal was killed and the carcass sent to a rendering works. Legs of the two others were broken.

When Bastian started to slaughter the injured animals an OPA investigator, W. L. Pratt, who was driving past, warned him not to proceed until he had obtained a permit, the farmer reported.

He proceeded with the slaughtering, however, and Thursday was tendered an order by Pratt and George Greenaway, another OPA agent, to appear at the Chicago office yesterday morning. The order ended: "Fail at your own peril."

BOTH FAIL TO APPEAR

Yesterday Greenaway and Pratt admitted that the order was not a legal summons, but an "invitation." Greenaway said he had appended the ominous warning because the phrase appeared on regular subpoenas, and he thought it would be a good idea.

The order was directed to Berge Skartveit, a tenant on the farm owned jointly by Bastian and a partner. Neither Skartveit nor Bastian showed up in Chicago to be questioned. Pratt and Greenaway were present, however.

When officials transferred the case to the Moline OPA office, the agents said they would continue their investigation and would report their findings to Moline. The agents remarked that they had no way of knowing that the cows had been struck by a train.

Both denied using abusive language when they called at Bastian's store at Hinckley Thursday and were confronted with the beef carcasses hanging in the cooler. Pratt said he had not counseled letting the injured cows lie in the pasture for 3 days while the permit was being obtained, as Bastian charged.

THE OPA PONDERS A COW

Three cows got on the Burlington railroad tracks near Hinckley, in De Kalb County. A freight train reduced one of them to unsalable hamburger and crippled the other two. The tenant on the farm notified Elmer Bastian, one of the owners, and Bastian decided that the crippled cows would have to be killed.

He had killed one when W. R. Pratt, an OPA employee from Elgin, appeared and demanded whether he had a slaughter permit, which obviously he didn't. Pratt ordered Bastian to do nothing further until he had heard further from him, Pratt. Bastian killed the second cow to end its suffering, called the OPA office in Sandwich, Ill., and was given permission to butcher the meat, store it in the cooler of his store in Hinckley, and sell it if he collected ration points for it.

Three days later Pratt and another OPA employee, George Greenaway, appeared at Bastian's store and gave him a summons to appear at the Chicago office of the OPA. They told him that there he would be given instructions about slaughtering the second cow and disposing of the carcasses of both animals. When Bastian asked them if they expected him to let the injured animals suffer for 3 days while the OPA made up its mind, and then showed them the dressed carcasses hanging in his cooler, he was, by his own account, subjected to a torrent of profanity by the 2 OPA representatives. The agents retreated when their behavior attracted an angry crowd of Hinckley citizens.

To the OPA, apparently, the 2 cows presented no more than a problem of licensing

a slaughterer. To Bastian, the people in Hinckley, and the local OPA board in Sandwich they represented meat. If Bastian had waited for the OPA to act the meat would have been lost.

Mr. HICKENLOOPER. Mr. President, the story is—and I assume it is true, it seems to be established by OPA officials—that a train out of De Kalb, Ill., ran into two cows and mangled them somewhat, but did not kill them. The farmer who owned the cows knocked one of the cows on the head and was butchering her in the field in order to save the meat when an OPA representative stopped him and said he had to obtain a slaughterer's permit before he could kill and butcher that cow. The farmer's language was not such as we use on the Senate floor in speaking of OPA officials. In any event, he continued cutting up his cow which he had killed after she had been mangled by the train. The OPA representative told the farmer not to touch the other cow. The farmer, however, proceeded to butcher both cows, which he had killed after the train had mangled them.

A day or two later the farmer received a very formidable order from the OPA which summoned him to appear before the tribunal which was set up in Chicago, and the following very ominous words appeared at the end of the order: "Fail at your own peril."

I shall now read from the news story which allegedly quotes Mr. Greenaway, I believe, on that particular point.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Is the Senator from Iowa quoting from a statement of facts which he has received?

Mr. HICKENLOOPER. I am quoting from the story which appeared in the newspaper, which I have put in the RECORD to save time.

Mr. LUCAS. From what is the Senator quoting?

Mr. HICKENLOOPER. I am quoting from the Chicago Tribune of June 5.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. HICKENLOOPER. I yield.

Mr. LUCAS. Has the Senator attempted to check with the OPA respecting the truth of the story?

Mr. HICKENLOOPER. I did not clearly hear what the Senator asked.

Mr. LUCAS. Does the Senator think it is really fair to present the newspaper item until he has checked the facts with the OPA to ascertain definitely whether that story is true? Does the Senator think it fair to bring that article in here as an argument against continuation of OPA, especially coming from the Tribune, as it does?

Mr. HICKENLOOPER. The Senator from Illinois might not agree that the Chicago Tribune was a proper source of information. I presume the Chicago Tribune's philosophy differs somewhat from that of the senior Senator from Illinois. I have no quarrel with the Senator's belief one way or the other, and will not dispute the matter with him. Nor do I hold any brief for the Tribune. But I believe the journalistic ethics of the Chicago Tribune measure up to the

average journalistic ethics of the newspaper profession generally throughout the United States. Some newspapers are on one side of the question now before us, some on the other side. But I believe that in their news-reporting policy newspapers probably maintain a fair standard.

Mr. LUCAS. The only thing I am talking about is that the Senator from Iowa is willing to use that newspaper story in support of an argument he makes against continuation of the OPA, without calling the OPA on the telephone or writing to OPA to ascertain what the facts are, and as to whether what the article says is true or not. In other words, it is the same old story, Mr. President. There are some Senators who do not want the facts. The story may be true, I will say to the Senator from Iowa. I do not know. I read the same story. If I had desired to comment on that story on the floor of the United States Senate I would have taken time to have telephoned or written a letter to ascertain the truth of the story before I rose on the floor of the Senate and used it as a basic argument for the repeal of OPA.

Mr. HICKENLOOPER. I believe that editorials and news stories in great numbers are submitted for the RECORD by Senators with the assumption at least that they substantially state the facts as printed.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TOBEY. Adverting to the remarks of the Senator from Illinois, I take it his inquiry was based on the theory that the whole thing might be "bull;" is that correct? [Laughter.]

Mr. LUCAS. It sounds very much like it.

Mr. HICKENLOOPER. I yield in the matter of interpretation of "bull" to those who have had more experience than I, and I am willing to accept their analysis.

I will give one item that appeared on May 6, 1945, in a newspaper in my home State, and I will state to the Senator from Illinois that I rely very much on the accuracy of the news reporting of this newspaper. An item appeared in the Des Moines Register of Des Moines, Iowa, dealing with the butter situation. I am merely giving some illustrations to show what makes the public restless under present enforcement by OPA, and public sentiment is an element which must be considered in any free country.

The article states:

Some Des Moines food outlets Saturday reported they have been having a little trouble with butter turning rancid for the lack of customers with sufficient points to buy that commodity.

Butter, which commands a ration price of 24 points a pound has been plentiful in stores in recent weeks. On the other hand oleomargarine, which "costs" 12 points a pound, has been scarce.

My purpose in reading that is to show that the public in that part of the country, as verified by letters I have received, simply does not have the points in its possession to pay 24 points a pound for butter, and the OPA has done nothing

about it. Butter in some places has become rancid.

I have other news stories showing that butter has become rancid in Wisconsin and in other States in recent weeks. Yet in the administration of this act no change in that point system has been made in order to enable the reduction of the surplus stocks of butter. No change in the system has been put into effect.

I wish to give Senators another illustration of the administration of the act, and a thing which multiplied thousands of times in varying degrees over the country has contributed to this great storm of protest which has been built up. I wish to read to the Senate a very substantial portion of the broadcast made by Fulton Lewis, Jr., on May 18, at Los Angeles, which was referred to by the Senator from Ohio yesterday, in which he very carefully sets out a condition which exists. I think it is a matter for discussion. Fulton Lewis said:

The story tonight is a story about three little guys—three little Swiss and the land of opportunity—the land of the free and the home of the brave.

Their names don't make much difference, really, but in case you are interested they are Sil Antogonli, and Louis Margnetti, and Francis Rodari. They're good, hard-working citizens all of them, and I have investigated and found that each one of them has a record as clean as a hound's tooth. They've never been involved in any trouble of any kind; they have no police records; they're very serious little people.

Years ago, during the 1920's they got together and rented a little hole in the wall, down in lower San Francisco, and set up a lunch counter—eight stools and two side tables, and they did all the work themselves, except for the dishwashing, and they hired a man to do that.

Incidentally, I have on my desk a picture of that hole-in-the-wall. It is only a small lunch counter.

Incidentally, all through those early days, each of them was taking \$25 a week as his share of the profits, and they worked 15 to 18 hours a day, and they were paying the dishwasher \$31 a week, for one regular shift.

When the depression came along they kept a considerable list of their long-time customers who were eating on credit—most of which was never liquidated—but that didn't make any difference; they merely shrugged their shoulders and smiled and said those people had to eat, didn't they?

As time went on, by very long and very patient work, and those same back-breaking hours, and by infinite frugality they saved up several thousand dollars and last October the floor of the lunchroom caved in and the building was condemned. So, inasmuch as they had to rebuild, they decided to take a risk and try to realize the dream they always had cherished—to have a really nice, really high-grade establishment, of which they could be proud. It was impossible to do that, of course, on the same price scale they had been charging in the little hole in the wall, so they went to their local OPA board and explained what they wanted to do, and they were told to go ahead and when they were ready to open to bring in their proposed price changes and the OPA would fix them up.

It was a rather difficult business for these three little Swiss men, because they knew nothing of the complications and eccentricities and intricacies of WPB priorities and such things, but they finally made their way through the maze and got WPB approval of their construction plans and proper WPB priorities for the materials nevertheless.

They also went to the Bank of America and, after they had been thoroughly investigated, they were given a loan by that institution. In October they began construction and they built a really beautiful restaurant which they named the Saint Moritz, and they even got their linen and silver and glassware and chinaware.

It's a spot that does credit even to San Francisco, which is renowned for its magnificent hotels and eating places. It has deep pile carpeting on the floors, beautifully paneled walls in rare woods, excellent murals, a gorgeous bar with sparkling glassware in front of a mirrored back, subdued lighting throughout. And all through this construction period these three little guys were in there working their hearts out, helping with the job in order to keep the cost as low as possible. When the regular crews would go off at the end of their day, these three would keep on working far into the night, digging ditches for the plumbing, doing carpentry work, putting in the sewers, everything conceivable.

On December 15 it was ready to open and it held a really proud position in a neighborhood of high-class competitive restaurants, all of which were doing a tremendous business, jammed to capacity day in and night out. So—

They went to the OPA, these three little guys with their Swiss background, and they asked for approval of their prices scales, which, by the way, they had computed strictly in accordance with OPA regulations. The prices were about 50 percent higher than the prices they had charged at the old lunch counter, but, at that, they were much lower than many of the restaurants in the immediate vicinity.

They waited, and they waited some more, but they could get no answer out of the OPA.

They never got a flat refusal; they simply got no answer. Nobody would say "Yes" or "No."

If they had opened up without OPA approval of their prices, they would have been in violation of OPA regulations, so they had to continue to wait.

The restaurant was all ready to do business—spic and span, even the tables set with fresh napkins at the places, but the doors had to remain closed.

After some weeks, it was suggested to them that they hire a lawyer, which was a little frightening, because lawyers come high in the money terms to which they were accustomed, but they did hire one nevertheless—only to find that the OPA refused to deal with him because he himself had been a former OPA employee. So they paid off that lawyer and got another lawyer, who went to work on the case, but he couldn't get any satisfaction either.

January passed and so did February and so did March and so did April, and still the sparkling, beautiful new restaurant remained with its doors closed while the three little guys whose life dream it represented watched the interest charges pile up on the loan they had received from the bank without even a fighting chance of earning the money to pay off that interest.

Finally, the OPA told the new lawyer that what the three little Swiss would have to do was to open up at their old lunch-counter prices and operate for 90 days, and if at the end of that time they could prove that they were losing money, they could submit a request for a revised scale of prices, which the OPA would then consider.

That seemed pretty hard but they decided that they would try it on the bar, at least, which they did. At the end of 1 month they had lost \$1,900, and, on careful figuring, they worked out the fact that if they continued that for the remaining 2 months, it wouldn't make any difference whether the price increases were granted or not, because

all of their savings would be gone and they'd be out of business.

But the OPA insisted, adamantly, that because they had been in business before with their little hole-in-the-wall lunch counter, and had included the site of the old lunch counter in the new establishment, that so far as OPA was concerned it was still a lunch counter. I may add that the OPA regional administrator in San Francisco, Mr. Charles Baird, reaffirmed that to me today, in just those words, and said that he thought that was a proper and very wise policy.

You remember that it was last December 15 on which the Saint Moritz Restaurant was finished and was ready to open its hospitable doors to customers. This is May 18, 5 months and 3 days later, and to this day the OPA has never approved any scale of prices for the three little Swiss guys who had tried to make a dream come true in a land where, reputation has it, dreams can come true if men will work for them.

The doors of the restaurant are still closed, and the lawyer still cannot get any satisfaction.

He continues at some length on this matter. He shows in the broadcast and in the one of the following week that up to this date the OPA has never approved any scale of prices for that new and expanded restaurant except to advise the owners to go on the old lunch-counter scale of prices in establishing their new prices, which they have tried, and themselves know to be a loss. Such administrative acts, multiplied thousands of times over the country, contribute to restlessness.

A short time ago, in connection with retail merchants, a new pricing policy was established. It is called Maximum Price Regulation 580, and it is a dandy. It is a 42-page document. I have a copy of it in my hand, which I can show to Senators. It consists of 42 pages of carefully and finely printed literature, giving tables and methods of calculation for pricing merchandise in retail stores—this, bear in mind, after a burdensome period of 2 or 3 years of other methods of pricing.

I have looked through Maximum Price Regulation 580, because I have received a great many letters from merchants all over my home State calling attention to it. They throw up their hands and say that they have neither the facilities, the knowledge, nor the education to go through this thing and reprice their merchandise, as it apparently demands. They cannot understand it. They cannot follow it; and yet they have been told that they cannot operate in business unless they comply fully.

I have an illustrative letter from a merchant in a substantial little county seat town in my State. I shall not read it in full, but it expresses a desperate hope that sometime, in some way, the minute regulation of OPA will be lifted so that a merchant, operating under the labor shortage with which he must now contend, can get a job done. I shall read one paragraph. The writer refers to the new regulation, and the additional difficulties which are heaped upon him. He says:

Let me cite you one concrete instance of what I mean, right here in Clarion. This man runs our leading furniture store. He has three boys in the armed service, one daughter in the WAVES, and a son-in-law

in the Army, too. This man has been retired, and until his oldest son was drafted he ran the store. At this time the father came back, unable to get help. He is trying to keep the store open for his son's return. The normal force in this store would be about two or three men and a bookkeeper. This man and one green girl run the store. How in the world can he comply with this latest brainstorm of OPA? That is only one of many such.

Mr. President, I have letters in my files from merchants in large towns, who have staffs of accountants and intricate bookkeeping systems as well as cost-accounting systems, for their particular purposes. They have told me that they cannot be at all certain, after spending weeks of effort and going through their stores with a staff of people, that they have come within gunshot of complying with this new 42-page regulation, Maximum Price Regulation 580. Those matters distress the people.

Another one stuck up its head a few days ago. I cannot say just when this one went into effect, but the OPA now has made a requirement and has established a regulation—which of course carries with it a Federal penalty if it is violated—compelling every undertaker, as a part of his duty, to be responsible for the collection of the ration stamps of the deceased, before the undertaker has completed his job and his duty. The OPA furnishes voluminous instructions and cards which the undertakers must send to this one, and cards which the relatives must send to that one, and acknowledgment cards which the undertaker must send back. The OPA is going to require the undertakers to get back the ration stamps from the deceased even if they have to go to the gates of Heaven and talk to St. Peter and ask him for them. That proceeding, that minutiae and extreme detail which have crept into our economy under the guise of war necessity, is what disturbs the American people.

Today a reconversion period confronts us. I think that all of us, regardless of our attitude on particular pieces of legislation, realize that a period of reconversion is on us now, and all of us are hoping and working in our own way to make that period one of expanding economy, great employment, and the highest possible income for all classes of people in our country—a period of encouragement and hope for the future. That is what we wish to have. I will admit that we may disagree about the methods of achieving it. Perhaps I am not correct in my attitude; perhaps I am only partially correct. I do not know, but I merely have to say it as I see it.

Today, because of the cut-backs, reconversion is now upon us. Countless factories and countless industries are suffering either partial or complete cut-backs from war production to the production of peace. I do not know what policy will be placed in effect by the OPA I do know what a number of businessmen of my State think the policy will be and what they have understood the policy will be, as a result of their talks with persons in the lower strata of OPA—persons who apparently have considerable authority. The ones to whom I have

talked, those who tell me that what they say reflects the general sentiment of the meetings they have had in our State in connection with this matter, say they are now convinced that unless the OPA changes its attitude, as announced by the subordinates who have stated the intention, the OPA is planning to hold American enterprise and American business to a roll back to 1941 price levels, in some cases, and in other cases to the 1942 price levels. The persons to whom I have talked and those who have written to me say, "We will be out of business if that is going to be the policy and if it is legitimately adhered to. We will be out of business and we will not be able to reemploy or expand our plants or our businesses. We are discouraged. We do not think there is any promise or hope for the future under that kind of a policy. Under such a policy, we do not think there will be the hope and the opportunity which we must have in this country in the days after the shooting stops, or, in fact, right now."

Let me tell you, Mr. President, how tenaciously and rigidly the administrators in the field generally cling to this price policy. There is in my State a company which manufactures pulleys. I know that what I am about to relate is substantially true. Last year and the year before that company lost \$18,000 each year on the pulleys it made. The manufacturing of pulleys is a substantial portion of its business, although it makes some other articles. It made a little extra on some of the other products it manufactured, so over all it made just a little money—perhaps 1 percent or 1½ percent on its whole operations. It happened that it sold the pulleys, and had done so for years, to one jobber in the East. It sold only to that jobber. But it sold on a price level maintained by the OPA, and it has been losing \$18,000 a year for 2 years. The jobber in the East happened to have such a favorable price policy that he could raise his price to the manufacturer just a little, to help him take up a part of that loss, but he would not have to raise his price to the public. So in that case the jobber, who was taking the manufacturer's product, was willing and anxious to raise the price he paid the manufacturer, in order to help the manufacturer absorb a part of his loss. The jobber joined in the application, and agreed that he would not raise the price of that pulley to the public. They made application to the OPA. Months went by. Repeated trips were made from the town where the pulleys were manufactured to Chicago, and the company received many requests for additional figures, some of them for operations of many years past. But there was repeated failure of action. They encountered nothing else.

One morning about 10 days ago a representative of that company came to my office. I did not know what he wanted to see me about. He told me his story. I then telephoned the OPA office and talked to Mr. Brownlee, the Deputy Administrator for Price, in the Office of Price Administration. I told him the story. He said to me over the telephone, "If that man can substantiate that story, he should have some relief."

I said, "I do not know anything about it except his own statement, but he can bring his figures to you."

It is my information that in about 30 minutes' time, after going through that record, with a substantiation of the man's story, he received the requested relief. But months before, in the field operation and in the district operation, they had been stymied and stymied and stymied.

I will say that in that case the administrative officials at the top of OPA, who saw the justice of the claim and who realized that it would not affect the price to the public, acted very quickly. But that occurred only after the passage of several months, with repeated trips and repeated accounting statements, and finally a trip to Washington, in desperation. Finally, after that man went to the office of the OPA in Washington, he was able to secure relief very quickly, because Mr. Brownlee, whom I believe tries to be very fair, saw the justice of the request. I certainly have no complaint about Mr. Brownlee's basic attitude of fairness, although I may sometimes disagree with his enforcement philosophy. Mr. Brownlee said to me that that man had a perfectly justifiable case. He obtained his relief in just a few minutes, and I think the relief granted was perfectly sound and proper.

But such things make people restless; and whereas one person can come to Washington and can obtain a hearing, there are throughout the country thousands who do not know where to go and do not know what to do. They go no further than their district OPA representative. There they are told what they can do. They are turned down; and, in discouragement, they quit.

Those are the policies which are followed in the OPA. Such policies discourage the public. I think they should be corrected. They can be corrected administratively, of course.

I refer to the statement which was made a while ago that Congress has made several attempts to write into the law protective features which Congress intended should be put into effect in connection with the American economy. I believe it is essential that the Thomas amendment, as well as the Taft amendment, be made a part of the law as a protection to every American, and as a guaranty that the power of government, under the guise of war emergency, shall not be exercised against a citizen in order to compel him to do business in our free economy at a loss.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. McMAHON. I wish to propound to the Senator from Iowa a question which has occurred to me at various times during the debate.

I presume that the Senator has noted that the leaders of organized labor have been calling at the White House and suggesting that the Little Steel formula be revised upward. Does the Senator believe that the adoption of the Thomas amendment and the Taft amendment would retard the effect of or eliminate the wage-control policy embodied in the Little Steel formula?

Mr. HICKENLOOPER. I see no reason why the adoption of either or both of the amendments should eliminate adequate, proper, and economic control of wages.

With regard to the Little Steel formula, we are confronted with this fact: The Little Steel formula is an arbitrary formula, and not necessarily an economic formula. In other words, so far as wages are concerned, we use a different yardstick. We consider what income a man needs in order to live properly. I say that the Little Steel formula is an arbitrary formula and not necessarily an economic formula. I think an economic formula is one in which wages adapt themselves to the factor of costs.

Mr. McMAHON. The Senator has not yet answered my question. In the Senator's opinion, if the Senator should adopt the amendments to which I have referred, does he believe that it would be possible to hold the Little Steel formula? I am not asking him whether the formula is a good or bad one, but I am asking him whether it would be possible to hold it. I should like to have the Senator's opinion on that point. I will judge for myself whether I think it is well for the Little Steel formula to be maintained or scrapped.

Mr. HICKENLOOPER. We have repeatedly broken the Little Steel formula. It has not been held. In my judgment it is not necessary, under the present program, for the cost of living to increase to any appreciable extent.

Mr. McMAHON. What does the Senator mean by "any appreciable extent"?

Mr. HICKENLOOPER. Perhaps 1 percent, or one-half of 1 percent. It has been announced by the Bureau of Labor Statistics, or by Mr. Bowles, that the cost of living has risen only approximately 2 percent in the past 2 years, while wages have increased from 8 to 10 percent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. Am I to understand that by the Little Steel formula the Senator refers to an increase over the wage rates as of January 1, 1941? Perhaps the Senator from Oregon [Mr. MORSE] can answer the question.

Mr. MORSE. I think the period is from January 1, 1941, to May 1, 1942.

Mr. TAFT. In other words, there was a 15-percent increase in the cost of living, and the rule was that wages could not rise more than 15 percent. According to an authority which I hold in my hand, the increase from January 1, 1941, to the present day has been from 100 to 137½. In other words, in spite of the Little Steel formula, wages during that period have actually increased by 37½ percent. Within the past 2 years wages have increased 10 percent, while prices and the cost of living have increased only 1½ percent. So the fact that the cost of living might rise 5 percent more is no justification for a break in the Little Steel formula. However, whether a break would take place or not, I do not know. I think it would. I think the formula was broken yesterday in President Truman's approval of a 25-percent increase in the salaries of Members of the House of Representatives.

Mr. McMAHON. The Senator has answered the question which I propounded. In his opinion, if the Senate adopts the Thomas and the Taft amendments, and they result in raising the cost of living, we shall still be able to withstand further demands on the part of labor that the Little Steel formula, with its revisions, be scrapped.

Mr. TAFT. I think the Senator will find that beginning with 1945 the average increase in the wages of labor will be 5 percent in spite of the Little Steel formula. I think it will be that much if we do not raise the cost of living a fraction of 1 percent. I think the strength of labor is such, and the maladjustments and injustices in some places are such, that in some places we cannot help but increase the average wage rates approximately 5 percent.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. THOMAS of Oklahoma. I think the record should be kept straight. We have been operating since 1926 on the 1926 basis, because in that year the administration set a price level of 100. That basis was established in accordance with the average prices of 1926. Since then we have used that year as a base. On the 2d day of June, only 6 days ago, the price level stood at 106, or only 6 percent above what it was, on the average, during 1926. The amount of money now in circulation is approximately \$27,000,000,000, whereas in 1926 it was only \$4,000,000,000 or \$5,000,000,000. We now have approximately \$100,000,000,000 of credit, while in 1926 we had only \$40,000,000,000 or \$50,000,000,000. Notwithstanding those facts, the price level 6 days ago was only at 106.

The question has been raised whether, if the two amendments to which reference has been made are adopted they will result in an increase in the cost of living. I cannot speak for the amendment of the Senator from Ohio [Mr. TAFT], because I am not familiar with it. However, I can speak for the amendment now pending. The administration is operating under a subsidy system. If it should be found that the processors of any commodity should receive a somewhat higher price in order to enable them to continue in business, the situation will be taken care of by a subsidy. There is no attempt under this amendment to raise the price of meat to the consumer, or the price of bread or any other food product, because they are all farm products. The administration is operating on a subsidy system. If it were necessary to give any processor a small sum of money in order to prevent him from going into bankruptcy, he would receive a subsidy.

The OPA has made three attempts to widen the subsidy spread, and now slaughterers are operating on a satisfactory rate, or at least so I have been advised. If the pending amendment is agreed to, and if the OPA is convinced that any particular processor should receive a wider spread, or a little more money with which to operate his plant and maintain it in operation, the situa-

tion will be taken care of by a subsidy. The members of the CIO, the AFL, or any other organization of labor, would not be required to pay any more for their meat or bread, or any other food product, than they are paying at the present time.

That is an explanation of the amendment as I understand it.

Mr. HICKENLOOPER. Mr. President, I should like to conclude the few remaining remarks I have to make, but I wish to give another illustration of the administration and the policies of OPA which drive people to distraction, at least those out in the farming section of the country, where the people do not understand all the ramifications of high priced economists.

I have a letter I desire to read. I have requested a full report on this case from OPA. They have had it since May 25, and I have not yet received a report. I asked for the original letter from OPA today because I wanted to put it into the Record, but I am very anxious to ascertain just what their explanation of it is.

Mr. President, there are two or three popcorn centers in Iowa, where great quantities of popcorn are raised. The farmers will make a contract with some popcorn processor, in advance of planting, at a certain price per bushel, and they will plant their acreage. I have received several letters on this subject. The farmers have had a mass meeting, which ended in a near riot, in the county seat town of Sidney, a short time ago. I read from the letter as follows:

I write to call to your attention, a matter of very vital importance to the farmers of southwest Iowa.

About 500 farmers here engaged in raising popcorn. In the spring of 1944 they contracted to raise the popcorn for \$3.68 per hundredweight in the ear and, or, in lieu of that at \$6 per hundredweight shelled corn basis.

Not being entirely dumb the farmers all figured out that the profit at the \$6 per hundredweight price would make them much more money. Now, many of them found it to be impossible to get shellers to come to their own cribs. The processors agreed to get the corn, shell it and after deducting 5 cents per bushel for shelling and the weight of the cobs, would pay them the shelled corn price. Many of them did it that way.

In order to follow this I should say that the price of corn on the cob to the farmers was \$3.65. If the corn were shelled, the price was \$6. The processor shelled the corn for the farmer and charged the farmer 5 cents a bushel for shelling it, weighed the cobs, and took the weight out of the total weight, and paid the farmer at the rate of \$6 a hundredweight. The letter continues:

Toward Christmas the OPA, discovering they had left a loophole wherein the farmers were making more money than they had intended, sent out a ruling that "the corn must be shelled at the farmer's crib," or in lieu of that, it "must be hauled to the sheller, then returned to the farm, scooped into the farmer's bin, rescooped into the truck, and after that the processor can take the corn.

Well, now about 50 farmers have been summoned before the OPA regional court in Omaha, found guilty before appearing, fined from \$15 to \$50, and held to pay a return overpayment to the Government to \$1.12 per hundredweight.

The farmers had a hot meeting here in the Legion Hall last night, and organized what they chose to call The 500 Organized Farmers Popcorn Growers Association, which has as its purpose protection against injustice by the OPA. I think they mailed you a letter and also to George Wilson and Ben Jensen, and to Chester Bowles, and possibly to President Truman.

I felt it would be well enough to mail you an explanation of just what the "offense" is, I thought you would desire it to help make up your mind to support the renewal of the life of this brilliant group when it comes up in June. It seemed to be the idea of the groups that if they cannot get relief from this infamous order not one bond will be purchased by the group.

Of course, I do not approve that particular philosophy, but think of the situation—and I have received other letters verifying this. The farmers have been having near riots about it. When they planted their corn they had a right to contract for it at \$3.65 a bushel in the ear or \$6 shelled. Now, because the processor used his trucks in some instances and came to get the corn, and shelled it, and then paid the shelled price, less the 5 cents a bushel for shelling, these farmers have been haled to Omaha or Council Bluffs and fined in what I think is as clear an example of ex post facto infliction of pseudo law enforcement as I ever heard of. It is the most foolish thing in some ways, and silly in others, and most idiotic for a citizen's own government to use in connection with people whose government many of us at least still believe it is. This popcorn story is another one that causes restlessness with the OPA.

I shall read a typical telegram from the Ottumwa (Iowa) Chamber of Commerce. I have many like communications. I am merely picking out some typical ones. This telegram reads:

The Chamber of Commerce of Ottumwa, Iowa, strongly urges that the extension of OPA authority be limited to 90 days, so that industry, including hard and square-foot goods manufacturers can have the opportunity to present facts to the Senate Banking and Currency Committee showing that present policies of this agency in issuing directives is eliminating and destroying free enterprise and curtailing and eliminating the production of essential civilian goods, such as men's, boys', women's, and children's clothing and accessories. We particularly refer to regulation 108 map and similar regulations recently issued by OPA. Letter follows.

That is signed by the president of the Ottumwa Chamber of Commerce. I have letters from cloth manufacturing concerns, I have letters from hardware people, letters from jobbers of stoves, and electric ice boxes, and others.

I shall not burden the Senate further with these details, but the economy of this country today is becoming fearful because a bureaucratic administrative group has without doubt gone far afield, away beyond the intention of Congress which gave it life, it is disregarding the three separate attempts of Congress to curtail it, and is fighting every movement taken to prevent any restriction upon its unbridled authority to work its own peculiar and hard-to-understand brand of economics upon what I hope is a free

American system, and all under the guise of the war effort.

Mr. President, I repeat what the junior Senator from Oklahoma [Mr. MOORE] pointed out in his very able speech a few days ago. I may say that he goes further than I do. I feel that it is not advisable at this moment to cut off the operation of OPA, because it has become, in this emergency, a substantial part of our effort, and I think we should taper it off gradually.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MOORE. I realize that I have gone further than the Senator from Iowa would go, and I realize that I have gone further than most Senators would go; but after listening to the Senator's very able presentation here this afternoon of the maladministration of the law, after hearing the able senior Senator from Oklahoma [Mr. THOMAS] say repeatedly on this floor that the OPA had repeatedly refused to carry out the intent of the law passed by Congress, what else can we expect now by way of any improvement in the management? If the things which have occurred will continue to occur, as the able Senator from Iowa indicates, why continue it longer? If discontinuing it would result in some inflation, as everyone thinks it may, will that be worse than the inflation that is being produced by the black market which predominates in this country today?

Mr. HICKENLOOPER. So far as concerns the policies which at least business in this country, as far as my observation goes, believe to be the policies of OPA, they are discouraging to the point that we will have a great deflation in the activities of business in this country under those policies, which will be more damaging than any inflation could be, but I believe in keeping level, if we can, by control.

Let me suggest that every act of OPA, whether it concerns the popcorn growers who are haled into Council Bluffs and fined for what I believe to be the carrying out of a contract which was good when made—every act of administration of the OPA is the result of the act of Congress and is the responsibility of Congress. I do not believe I will blame OPA for so much of what it is doing if Congress continues to permit OPA to do it. We have heard much of the fact that Congress has become supine, that we have submitted to a growing, strangling bureaucracy in this country. But the powers are ours. We create these agencies. We can control them if we have the courage and understanding to do it. Therefore whatever OPA does can be laid directly in the lap of Congress, because we have the power to control OPA. We set up that agency. We gave it life. OPA exists so long as we permit it to exist, and whatever its actions, they are the actions of our own creature.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. I did not understand the answer which the Senator from Iowa made to the Senator from Oklahoma [Mr. MOORE]. Is the Senator from

Iowa in favor of abolishing the OPA straight out?

Mr. HICKENLOOPER. No, Mr. President. I said to the Senator from Oklahoma that I do not go as far as he goes. I believe he thinks OPA ought to be abolished. I do not think it ought to be abolished at this time.

Mr. FULBRIGHT. Is it not a fact that the Senator from Oklahoma is a little franker about the matter, and that he thinks that either of these amendments would so mutilate the administration of OPA that it would amount to an abolition of it?

Mr. HICKENLOOPER. I cannot agree with the Senator from Arkansas. I think the two amendments can be administered more easily and with better controls than the system OPA is using now.

Mr. FULBRIGHT. I was curious to know how the Senator thinks OPA is going to determine the costs of all the various articles involved—

Mr. HICKENLOOPER. They do not have to.

Mr. FULBRIGHT. Why do they not have to?

Mr. HICKENLOOPER. The provision does not say that they have to determine the cost. It says they shall not enforce against any processor a price which is lower than his cost plus a margin in the base period.

Mr. FULBRIGHT. How is OPA going to determine the price if it does not know the cost?

Mr. HICKENLOOPER. How did OPA determine the prices it fixed on all the minute things on which it has now fixed prices?

Mr. FULBRIGHT. OPA does not fix the prices individually. OPA fixes the prices respecting the whole industry.

Mr. HICKENLOOPER. OPA fixes industry-wide prices, but fixes them on the individual details of manufacture. OPA fixes prices on such things as little screws and articles all the way to big steam engines—on the whole industry.

Mr. FULBRIGHT. It fixes the average cost on the whole industry, does it not?

Mr. HICKENLOOPER. Yes; but OPA makes provision now for adjustment in individual cases.

Mr. FULBRIGHT. If a man brings in his own figures and proves to OPA that the price it sets is below cost, which is a perfectly proper thing—

Mr. HICKENLOOPER. In the overwhelming number of instances reported to me the operation is a magnificent success, but meanwhile the patient dies.

Mr. FULBRIGHT. Is that not probably because the patient cannot determine his own costs sometimes? Is not that what is the matter?

Mr. HICKENLOOPER. I think not. I will give the Senator an illustration from the meat business. There is a standard form approved, I believe, by the Bureau of the Budget for inquiry respecting the costs. OPA would not use those forms. OPA insisted on figuring out its own forms. The Bureau of the Budget would not let OPA print the forms. There was no authorization for such a form. So finally the American Meat Institute

in trying to help OPA, printed up those forms and those forms were the ones OPA sent out. I do not believe there was a packing plant in the United States which had its books set up in the breakdown manner that OPA figured out down there in the bowels of the organization some place. It took a long time and much accounting work and much change in methods on the part of many of the companies to furnish the information desired.

Mr. FULBRIGHT. Does it not seem clear that those in the meat business and the meat packers seem to be the ones who are in such great difficulty? Is that not something which is peculiar to that industry?

Mr. HICKENLOOPER. No. I said that was something which was spectacular.

Mr. FULBRIGHT. The Senator spoke of the meat industry because it is the biggest industry in Iowa, I presume.

Mr. HICKENLOOPER. No.

Mr. FULBRIGHT. More constituents of the Senator's engage in growing meat than anything else? Is that correct?

Mr. HICKENLOOPER. No.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. May I comment on the remarks of the Senator from Arkansas, because I am interested in his remarks that the Thomas amendment would have the effect of destroying the program of OPA. The same argument has been made by other Senators this afternoon. We have a "Wolf! Wolf!" sheet, propaganda sheet, put out by OPA today and placed in the RECORD, I believe. Every time we seek to bring a little law and order, and fair dealing into the procedures and policies of the OPA we are charged with trying to defeat the objectives of OPA. Thus we are treated today to OPA's latest propaganda sheet, claiming that the Thomas amendment will destroy price control. Now, Mr. President, the objectives of OPA as legislated by the Congress are nonpartisan. Unfortunately I am afraid the administration of OPA has become very partisan.

I do not think that one attempt to keep the small processors and slaughterhouse plants in business will increase the cost of living, as alleged by Mr. Bowles. I may say to the Senator from Arkansas that Mr. Bowles yesterday, in a letter to the Senator from Oklahoma [Mr. THOMAS], said this:

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production, and even distribution, this Office, in addition to satisfying all the various mandatory requirements of the present law, will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

To the fullest practicable extent, the Office will see that each of these groups of products is separately profitable at all times, regardless of live-animal prices. It will at all events see that each group is separately profitable on an annual basis.

Mr. President, I think the OPA ought to try to reconcile the Bowles letter of yesterday with the Bowles pressure sheet

of today. They are irreconcilable, since under the Thomas amendment the OPA will be required to do what Mr. Bowles promises in his letter he will do. However, in his letter of yesterday Bowles was very careful—he is always very careful to use that type of language which permits him to do just as he pleases. Thus, he uses the "sleeper clause," "to the extent practicable." In other words, when it serves the discretion of the OPA to see to it that the investigations are made so that these slaughterhouses can operate on a profitable basis as to these three categories of livestock, he will do it; but when it does not serve his purpose, then he can take refuge in language of his letter, which permits him not to do it.

I want to say to the Senator from Arkansas that I view it as very important to our food-production program that these slaughterhouses be kept in business so that they can take care of the meat supply of this country and put more meat on the tables of American workers and on the tables of peoples in other parts of the world who are going to need it under our international program. I do not agree that the Thomas amendment is going to destroy OPA. Rather, it is going to help OPA, if OPA will carry it out in accordance with the spirit and intent which Mr. Bowles professes in his letter of yesterday. Personally, I would like to see the Thomas amendment modified so as to protect the public from inefficient operations of packing houses and from profits by packers beyond a reasonable amount. Possibly it would be wise to require the processors and packers to get a ruling from the Director of Economic Stabilization in case OPA, under the policy of the Thomas amendment, finds that the price required to keep a particular packer in business at a profit would be unstabilizing. I would vote for some such modification; but unless the OPA is willing to accept some legal requirement setting forth in the law itself the promises of Mr. Bowles in his letter of yesterday free of an escape clause, I shall vote for the Thomas amendment. We must stop OPA from ruining the small processor and packer and discouraging the production of larger quantities of meat.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. The practicability of the administration is the point that is in issue. Under this provision, if each processor could challenge any price applied to him on the basis that it did not reflect his individual cost plus a profit—

Mr. HICKENLOOPER. He can do it under the present law.

Mr. MORSE. And he will do it under the proposed law.

Mr. FULBRIGHT. I do not see that the requirement under the present law would give him the same right. If that is true why do Senators want the amendment? What does it add, if it adds nothing to the law.

Mr. HICKENLOOPER. In order to give the American economy and the American businessman some protection

of law, and have the Nation run by law and not run the Nation administratively.

Mr. FULBRIGHT. The Senator says he can do it under the present law without the adoption of the amendment. Why do Senators want the amendment if the businessman can do it now without the amendment?

Mr. HICKENLOOPER. Because he is subject now to interminable delays, and if he is wrong he goes to jail. The OPA has, through the emergency court succeeded in obtaining approval of the industry-wide yardstick. It has succeeded in having the court rule that costs are undoubtedly limited to out-of-pocket costs of labor and material, and do not take into effect the administrative expense, the selling expense, the expense of advertising, and all the other things that have been accepted as costs in American industry for years. They have excluded those things. So in many instances there might be a profit, according to the OPA, but a loss so far as the bank account of the individual is concerned.

Mr. FULBRIGHT. The Senator saw the figures, not taken from the OPA, but from the Bureau of Internal Revenue, with regard to profits of corporations. The Senator saw how much greater they were last year than they have ever been. It is most peculiar that that fact has not been considered. The corporations continually show greater profits than at any other time in history.

Mr. HICKENLOOPER. Then there should be absolutely no objection to this amendment.

Mr. FULBRIGHT. Except that it is administratively impossible. As the Senator from Oregon says, practically it cannot be administered.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I wish to reinforce what the Senator from Oregon has said. Last March Chester Bowles appeared before our committee and said that it was impossible to separate the processing of beef, pork, and lamb. He said it could not be done. Then yesterday, or the day before, he appeared before the Committee on Banking and Currency with this letter, in which he said he was proposing to do it. I asked him, "Mr. Bowles, you yourself told us that this could not possibly be done; and now, under pressure, you find it can be done. Is not the same thing true of all the other major industries of the United States?" There was no answer to that question.

Mr. HICKENLOOPER. Mr. President, let me say one thing further about the administration of the law, touching a little on the point raised by the Senator from Arkansas. He asks, "Why is it necessary to write such a provision into the law?" Let me tell the Senate why it is desirable to have it written into the law. It is desirable to have it written into the law so that one can get the book down and read it, so that we will not have to depend upon the whim of some administrator. What he thinks today and writes down today becomes the law. Then when he changes his mind

tonight, what he writes down in secret tomorrow also becomes the law, even though it is at variance with his finding of today.

Let me illustrate. In the hearings before the Committee on Banking and Currency one of the witnesses was a very interesting young merchant from Richmond, Va., who gave us some very pertinent facts. I shall not quote all his testimony, but he told us of the desperate situation in which he found himself, trying to operate a business under these rules and regulations—and sometimes the lack of them—and inability to get any rules or regulations. The prize part of his testimony was this:

And may I read you an example of some of the confusion of instructions we received from OPA? The other day I called and asked them if they would send me a certain regulation I understood existed but I had never heard of it or seen it; so I received the regulation the next morning. It had a little slip. This is one just like the slip that was attached to the regulation, and it read:

"Warning. This is the latest available version of the regulation in which you may be interested. However, the text may not be a current version as currently amended."

The man threw up his hands and said, "What is the regulation? I am sent a regulation, but I am warned on the face of it that it probably is not the regulation which is applicable, although it is supposed to be."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WHERRY. A moment ago the Senator made the statement that this situation was the responsibility of Congress. He stated that the administration of the act, and the directives which have been issued, were the responsibility of Congress, and that we should do something about it.

The general public feels that we are responsible. The directives which are issued from administrative offices are interpreted by the public generally as being approved by legislative acts of Congress. I have been confronted with that attitude many times in the past few days. Those who feed cattle do not understand the price levels.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WHERRY. I do not have the floor. The Senator will have to ask the Senator who has the floor to yield to him.

Those who establish price levels on commodities which are not in keeping with the provisions of the original Stabilization Act, and in defiance of Congress, have gone out of their way in certain instances to attempt to show that the Congress is responsible for these things, that we are the ones who are creating these directives, and that we are responsible for them.

Section 3 of the original Price Stabilization Act provides that there shall be no price level which is lower than the highest price which agricultural commodities brought between April and October of 1942; yet when the floor on hogs was broken in 1943, it was Congress that was blamed for not stepping in and seeing that farmers were given the prices which they were guaranteed.

Let me point out to the distinguished Senator from Iowa that it is not necessary for us to speculate as to whether the public feels that we are responsible because we created the act in the first place, and made it possible for these bureaus to grow up. The people generally hold Congress responsible for the administration of these acts.

I have received a letter which I should like to read. It has to do with the incident referred to by the Senator from Iowa, relating to the five head of cattle. This letter speaks of eight head of cattle. This incident happened 30 miles from Omaha. This is a report from a newspaper reporter who made a personal investigation.

Mr. HICKENLOOPER. The incident which I reported happened at De Kalb, Ill.

Mr. WHERRY. Then this is another one. This incident happened within 30 miles of Omaha.

I should like to read this letter into the RECORD to show how the people feel about what the Congress does with respect to OPA:

OMAHA, NEBR., June 5, 1945.

DEAR KENNETH: As you think OPA is so wonderful and necessary am sending you a couple of clippings, and especially the one regarding the cows killed and sent to a rendering plant, and after your OPA has caused such shortages by throwing all the meat into the black market. You can't deny (or can you?) that there is a black market and a big one. I dare you to read these two into the RECORD or to the Senate, and why not mention that no place in the Bible can you find the Lord's approval of food wastage in order to make an excuse for rationing.

Did it ever occur to you that the Lord may get so mad that He would make a real shortage as a good lesson to a bunch of dictators?

Sincerely,

L. D. MUNSINGER.

P. S.—I've known you ever since a kid and never thought you could be hoodwinked into anything and so am surprised and put out.

L. D. M.

I ask unanimous consent to have printed in the RECORD the two clippings inclosed with the letter which I have just read.

There being no objection, the clippings were ordered to be printed in the RECORD, as follows:

CATTLE TRUCKING RECORD SET HERE

The Omaha stockyards Monday established a new record for the number of cattle brought to market by truck and had a run of cattle that constituted the second largest June day on record.

A total of 18,000 head of cattle were received, of which 15,204 head came by truck.

Despite the record, handlers said there was no congestion at the unloading chutes. The influx was fairly well distributed over Sunday and Sunday night, enabling unloading to keep pace with receipts.

Of the cattle received, an estimated 75 percent was in fat steers. By contrast, the June 25, 1934, record of 18,760 cattle was a drought-engendered one.

The receipts of 18,000 head compares with 10,600 a year ago today, and 11,000 a week ago. Omaha was second among the Nation's markets Monday in cattle receipts, being topped by Chicago.

MEN FEAR OPA, SO BEEF LOST—EIGHT CATTLE HIT BY TRAIN, NO MEAT SALVAGED AS RULES BALK IOWANS

Due to a small-town butcher's and a farmer's fear of the OPA, some 5,000 pounds of

fresh beef last week wound up in a rendering plant at Minden, Iowa.

Some residents of Neola, Persia, Minden and other towns in the area, about 30 miles northeast of Omaha, were irked about it Saturday, having heard that the OPA wouldn't allow the beef to be salvaged without surrendering red points, and so on. But as near as World-Herald reporters could determine, no one ever asked the Omaha OPA office what, if anything, could be done about it.

And Omaha district OPA officials Saturday night declared that if they had heard about it, they would have gone down the line and found some way to get that beef in the Omaha market, which is almost beefless.

BUTCHER CONSULTED

How much of the beef would have been edible was a matter of some dispute. Here is what happened:

Last Wednesday a herd of 10 cattle broke through a fence on the Dean Hawes farm 1 mile north of Persia, and wandered onto the main line Milwaukee Railroad tracks. A Red Cross hospital train plowed into the herd. Six of the cattle were killed, two were injured, and two escaped unscathed.

Of the two injured, one had only a broken leg.

The train crew dropped a note in Persia, and Section Foreman Bob Hilton went to the scene. He summoned the farmer-owner of the cattle, two of them milk cows and the rest stock heifers.

The farmer and a representative of the railroad decided that some beef could be salvaged if a butcher came and bled the cattle properly and promptly.

Mr. Hawes drove to Minden and consulted the butcher at the E. J. Peeper Market.

QUOTA USED UP

The butcher told him that his quota of slaughtering was used up, and without OPA approval he wouldn't dare do any butchering. Mention of OPA also made Mr. Hawes apprehensive.

The upshot was that the Minden Rendering Works was called to get all eight of the cattle. The rendering works employees shot the cattle still living.

"It's a shame," said John Tischler, OPA district ration executive. "If we had heard anything about it we would have found some way to legalize slaughter and sale of that meat. As for red points, if word has been passed out in Omaha, half the restaurant men in town would have driven out in their own cars to get a chance to buy it, and pay points."

MEAT SPOILS

Mr. Tischler said he didn't think the train's hitting the cattle would have made all of them unfit for slaughter.

"I understand they hit them over the head at the packing house and knock them out cold before they slit their throats," he said.

In ordinary times, a farmer would contact the nearest butcher or abattoir and have the meat processed as soon as possible. However, because of the delay in trying to figure out the OPA angles, and the warm day, Mr. Hawes said the meat rapidly passed the stage where it would have been fit for consumption.

Mr. WHERRY. Evidently this man feels that I am one of those who have approved the issuance of all these directives. At the last count, since 1933 there have been 76,000 directives as a part of the regulation from Washington.

Mr. HICKENLOOPER. The Senator voted last year for a continuance of the OPA, did he not?

Mr. WHERRY. Yes.

Mr. HICKENLOOPER. Does not that fix the responsibility upon the Senator for the acts of the OPA? Did not the Congress create the OPA?

Mr. WHERRY. Congress created the OPA; but Congress itself is not responsible for directives which are in direct contradiction of all the trade practices and the economy which has been developed in this country. Whenever those directives are in direct contradiction, it is my opinion that they are contrary to the Stabilization Act. But if we do nothing about it, then I agree with the Senator from Iowa that the responsibility is ours. In my judgment it is time for Congress to assume that responsibility, whether it feels that it has the responsibility or not, because the public generally holds us accountable for every one of these directives.

Mr. HICKENLOOPER. If, knowing these things, we do nothing about it when we have the opportunity, we are responsible as a group.

Mr. WHERRY. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. If I correctly recall the results of the election in Nebraska last year, I do not believe that anyone would hold the Senator from Nebraska responsible for anything done by this administration, whether it be by the OPA or any other agency.

Mr. WHERRY. What does the election in Nebraska last year have to do with me?

Mr. FULBRIGHT. The Senator represents the people of Nebraska.

Mr. WHERRY. I was elected in 1942.

Mr. FULBRIGHT. But I take it that the people of Nebraska are still of the same view.

Mr. WHERRY. I do not know. What I am saying to the Senator from Iowa is that the Congress of the United States is being held responsible for the administrative acts of the OPA, and the directives issued by the OPA relative to price regulation. We are being held responsible. I think the Senator from Iowa, instead of just feeling that we should assume that, should know that at least I feel that the people with whom I come in contact are holding Congress responsible; and if we do not do something about it, it will be our responsibility, not the OPA's.

Mr. FULBRIGHT. Following that thought a little further, I would judge from the election of last fall that they approve of the OPA.

Mr. WHERRY. Does the Senator mean that the people of Nebraska or the people of the United States as a whole approve of the OPA?

Mr. FULBRIGHT. No; I do not mean that the people of Nebraska approve of the OPA. I excepted Nebraska; I do not think the Senator is in any trouble with the people of Nebraska who voted for him.

Mr. WHERRY. I thank the Senator. I hope I am in no trouble either with the people of Nebraska or the people of any other place; and I wish to stay out of trouble, because I do not wish to be responsible for a directive which I think goes beyond the act itself.

I thank the Senator very much for yielding to me.

Mr. TAFT rose.

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I enter a motion to have the Senate reconsider the votes by which the committee amendments to the joint resolution were adopted, and I ask that the motion to reconsider lie on the table. I may not call up the motion to reconsider; but inasmuch as this is the last opportunity I shall have to file the motion, I do so now.

Mr. HICKENLOOPER. Mr. President, at this time I yield the floor.

Mr. TAFT. Mr. President, I also send to the desk an amendment to the pending measure, and I ask that it be printed and lie on the table. It is a revision of the amendment I formerly offered.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. BARKLEY. Mr. President, it is obvious that the Senate cannot conclude action on the joint resolution today. It is not desired to have a session tomorrow. But it is desirable, if possible, to obtain a unanimous-consent agreement for a limitation of debate beginning on Monday.

I wish to say in a preliminary way that the Senator from Ohio [Mr. BURTON] gave notice a day or two ago that he would request recognition when the Senate reconvenes on Monday. He has agreed to postpone that until Tuesday.

Therefore, I ask unanimous consent that beginning with the session on Monday, no Senator shall speak more than once or longer than 20 minutes on the joint resolution or any motion or amendment relating thereto.

Mr. MORSE. Mr. President, reserving the right to object, I ask the Senator whether it will be possible for me to be allowed not more than 5 minutes before the Senate adjourns or recesses this afternoon, so that I may make a few comments which I should like to place in the RECORD.

Mr. BARKLEY. I have no objection to that. I am endeavoring to obtain a unanimous-consent agreement relative to the procedure on Monday and during the further consideration of the pending joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none.

Mr. WILEY. Mr. President, will the Senator restate the unanimous-consent request?

Mr. BARKLEY. I ask unanimous consent that beginning with the session on Monday, at the beginning of that session and during the further consideration of the pending joint resolution, no Senator shall speak more than once or longer than 20 minutes on the joint resolution or on any motion or amendment thereto.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I understand the unanimous-consent agreement would mean that any Senator might speak for 40 minutes on both the joint resolution and the amendments.

Mr. BARKLEY. Yes; 40 minutes in all.

I will say that if for any reason action on the joint resolution is not completed on Monday, although I hope it will be, the Senator from Ohio [Mr. BURTON] desires to make on Tuesday the address which he had intended to make on Monday. I would ask that the limitation not apply to him on Tuesday, when he delivers his speech, if the Senate has not completed action on the joint resolution by that time.

Mr. WHITE. Mr. President, I concur in the unanimous-consent request of the majority leader, because, as he has said, the Senator from Ohio [Mr. BURTON] did give notice of his desire to speak on Monday. That request was noticed by all, and I think it highly appropriate that he should have that opportunity to speak on Tuesday.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request propounded by the Senator from Kentucky. Is there objection? The Chair hears none. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATION FOR CHILDREN'S BUREAU, DEPARTMENT OF LABOR

Mr. MCKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 212.

The PRESIDING OFFICER. The joint resolution will be read by title.

The LEGISLATIVE CLERK. A resolution (H. J. Res. 212) making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau Department of Labor, and for other purposes.

Mr. MCKELLAR. Mr. President, the joint resolution has passed the House and has come to the Senate. Its prompt passage is absolutely necessary, in order for it to be effective by the 10th of June, after it has been passed by the Senate and signed by the President. For that reason I am asking unanimous consent for its immediate consideration. The joint resolution is drawn up in the usual form. There are a number of States which will be unable to carry out the program for the Children's Bureau until the joint resolution is passed.

Mr. WHITE. Mr. President, I understand the purpose of the joint resolution is to provide for emergency maternity and infant care.

Mr. MCKELLAR. That is correct. The appropriation would come under the Department of Labor, the Children's Bureau.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 212) was considered, ordered to a third reading, read the third time, and passed.

APPROPRIATION FOR EMERGENCY FLOOD-CONTROL WORK

Mr. MCKELLAR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 208.

The PRESIDING OFFICER. The joint resolution will be read by title.

The LEGISLATIVE CLERK. A resolution (H. J. Res. 208) making an appropriation for emergency flood-control work, and for other purposes.

Mr. MCKELLAR. Mr. President, the joint resolution provides an appropriation to carry out the provisions of a bill recently passed by the Senate. Prompt passage of the joint resolution is necessary.

Mr. WHITE. Mr. President, I take it that the joint resolution implements, by means of the requested appropriation, the authority which Congress has already granted.

Mr. MCKELLAR. The Senator is absolutely correct.

Mr. WHITE. I thank the Senator. The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the resolution (H. J. Res. 208) was considered, ordered to a third reading, read the third time, and passed.

CONGRESSIONAL SALARIES

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. MORSE. I wish to make a very brief statement which I think should be placed in the RECORD before the Senate adjourns or recesses for the weekend. I say that because I think there is a great deal of misunderstanding and misrepresentation in the press in regard to the expenses of Members of the Senate. I think it is most unfortunate that such a serious blow was struck against the economic stabilization program of this Government as the one which was struck yesterday by the House of Representatives of the United States Congress, and apparently condoned by the President of the United States in a press conference on yesterday.

I wish to make two points, Mr. President. I wish to say, without fear of successful contradiction, that the action taken by the House of Representatives yesterday was in direct violation of the economic stabilization program of this Government, and violated the spirit, intent, and purpose of the Act of Congress of October 2, 1942.

I think a great blow has been struck against the anti-inflation program of the Government. I mean by that, Mr. President, that Members of the House on yesterday voted themselves a \$2,500 increase in salary. I have read every word of the debate which occurred in connection with the issue when it was before the House of Representatives, and there is nothing in it which can take away from the Members of the other House the stigma attendant upon their voting themselves a wage grab increase in the midst of the war, in direct violation of the economic stabilization policies binding upon the remainder of our population. By voting for the increase the Members of the House have, in my judgment, performed a great disservice to this country.

I was greatly pained to read in the press last night that the President—I hope unthinkingly—condoned the action of the House of Representatives.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BARKLEY. I do not think it is fair to say that the President condoned the action of the House of Representatives. As I read the statement of the press, he had stated that he did not like what the House had done. He said he preferred the increase to have been in a more direct manner, and recommended an increase of more than \$2,500. I only recently took the same position on the floor of the Senate which the Senator from Oregon is taking with respect to the proposed \$2,500 increase. I have no regrets whatever for anything I said at the time, or the vote which I cast. But to say that the President condoned the increase is not fair, because the statement of the President was that he did not like the way by which the increase had been granted.

Mr. MORSE. I assure the Senator from Kentucky that what I want most to do is to be fair to the President because my good wishes are with him. Nevertheless, when he makes a statement which, in my judgment, is not in the economic interest of the country, and demonstrates that he is willing to violate our anti-inflation program, I think it is important that a voice be raised against his action. It is true that he made comments which be construed as a criticism of the indirection which the House used in voting themselves an increase in salaries, but he then went on to say that if the bill had provided for a salary of \$15,000 or \$25,000 he would have signed it. In other words he would have violated the orders binding upon himself and Congress, at least morally, to a greater amount than did the House.

I think a case can be made out for such an increase as the President suggests after the economic stabilization emergency has passed, but no case can be made out for it at the present time. I say that because one of the great domestic problems confronting the country is that of holding the line against inflation. I certainly hope the administration will change its approach to this problem from the one made by the President yesterday. United support in protecting our American dollar from inflation is vital to the welfare of every man, woman, and child in this country.

In closing my remarks, Mr. President, I wish to point out that as a result of the debates held in the House of Representatives, and through newspaper reports an impression has been created that Members of the Senate voted themselves an increase in salary in an amount at least equal to the amount which was grabbed by the Members of the other House yesterday. Such an impression is the result of statements to the effect that Members of the Senate have available to them expense drawing accounts for their personal use. It was stated in an article in the New York Times last Sunday, that as with regard to the Members of the Senate, if they do not spend all the money allotted to their offices for clerk hire they are allowed to pocket the difference at the end of the year. I think it is important that someone should make clear

to the American people that any money voted by the Senate for office expense in connection with the operation of the offices of Senators is money which must be spent in the performance of official Government business, and that every cent of it must be accounted for, and that it must go through the accounting services of the Government. If any Member of this Senate does not use the telephone allowance, to which I referred a few days ago, by actually making official Government calls, the money remains within the United States Treasury. I do not know of a single Senator that would object to the House duplicating the type of strictly Government business expense budget which is provided by the Senate. That money is spent in the actual transacting of Government business.

However, under the guise of an expense allowance the Members of the other House have placed \$2,500 in their pockets, and they do not have to account to anyone for it. It amounts to a wage increase, and it violates the wage structure of the Congress of the United States as it existed on September 15, 1942. Every employer and every worker in the country, up to this hour, has been bound by the wage structure which existed on September 15, 1942, in this way: If today he is doing the same work which he did on September 15, 1942, he may not receive more money for his work unless he has not been a beneficiary under the application of the Little Steel formula or one of the other wage criteria of the War Labor Board. I think it is a sad reflection upon the Congress of the United States that, when confronted with the great job of holding the line and protecting the value of the American dollar, it voted to violate our anti-inflation program. I think it equally unfortunate for the President of the United States, in a conference with the press, to give the impression that he would violate the stabilization program still further if the Congress should violate it by enacting a law which called for an increase in salary to the Members of Congress even greater than the \$2,500 increase which the Members of the House voted for themselves.

**THE SAN FRANCISCO CONFERENCE—
NOTICE OF INTENTION TO ADDRESS
THE SENATE ON TUESDAY**

Mr. BURTON. Mr. President, I was present when the Senator from Kentucky [Mr. BARKLEY] and the Senator from Maine [Mr. WHITE] explained the arrangements for speaking on Monday next. I wish to concur in the arrangement to limit debate in order to hurry the passage of the OPA bill.

I also express appreciation of the action taken in connection with my desire to address the Senate. I had intended to do so on Monday. I will do so on Tuesday. I appreciate the opportunity which has been afforded me to ask for the attention of Senators on Tuesday at the beginning of the session on that date, at which time I shall address the Senate on the subject of international relations, particularly as they bear upon the proceedings now taking place at San Francisco, in an attempt to encourage our

delegation there in aiding the progress of the work which is being undertaken.

**BRETTON WOODS AGREEMENT—NOTICE
OF HEARINGS BEFORE COMMITTEE ON
BANKING AND CURRENCY**

Mr. WAGNER. Mr. President, on Tuesday next at 10:30 a. m. the Committee on Banking and Currency will hold hearings on the so-called Bretton Woods International Monetary Stabilization Act.

**AUTHORIZATION FOR PRESIDENT OF THE
SENATE TO SIGN JOINT RESOLUTIONS
DURING RECESS**

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President of the Senate be authorized during the recess which the Senate will take at the expiration of its session today to affix his signature to House Joint Resolutions 203 and 212, which the Senate has today passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. GEORGE, from the Committee on Finance:

Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1951 (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc, and, without objection, the President will be notified forthwith.

That concludes the calendar.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, it is my purpose to move a recess until 11 o'clock on Monday, and I hope all Members of the Senate will note the hour.

As in legislative session, I move that the Senate now recess until 11 o'clock a. m. on Monday next.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, June 11, 1945, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 8 (legislative day of June 4), 1945:

DEPARTMENT OF AGRICULTURE

John B. Hutson, of Maryland, to be Under Secretary of Agriculture.

SURPLUS PROPERTY BOARD

W. Stuart Symington, of Missouri, to be a member of the Surplus Property Board for the unexpired term of 2 years from October 3, 1944, vice Guy M. Gillette, resignation effective July 15, 1945.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Paul Williams Thompson (captain, Corps of Engineers), Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8 (legislative day of June 4), 1945:

POSTMASTERS

MARYLAND

Rose B. Cecil, Great Mills.

MINNESOTA

Carl O. Sandberg, Glen Lake.

NEBRASKA

Opal M. Moore, Liberty.
Albert L. Porr, Pawnee City.

NORTH DAKOTA

Fred W. Bork, Jud.

TENNESSEE

Lela Grace Wilson, Harrison.

TEXAS

Hattie Pearl Brenek, Sweet Home.

VERMONT

Carleton H. Bosworth, Bristol.

WEST VIRGINIA

J. Truman McCauley, Bunker Hill.
Pauline M. Alvis, Ceredo.
Mary Mariano, Dehue.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 8, 1945

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, offered the following prayer:

O Thou eternal God, as we bow together in the fellowship of prayer, may this moment of meditation and quietude be for us a veritable mount of vision where we shall receive insight and inspiration for the duties and responsibilities of another day.

May we surrender our minds to Thy divine wisdom, which never errs, and may our hearts be sensitized to Thy divine love, which never fails.

Grant that daily we may grow in nobler ways of living. Wilt Thou take our groping, faltering spirits and trans-

form them into centers of light and power and loveliness. We are not asking to be better than others but to be better than ourselves. May our souls be too strong to be chained and too large to be imprisoned by selfishness and self-seeking. May we lose sight of self in service for others.

We pray that the chosen representatives of our beloved country may be in the vanguard of those who labor for the coming of that day when men and nation shall walk together on that upper highway of good will and peace, and order their life by Thy law of love.

In the name of the Christ our Saviour, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECOND ASSISTANT CLERK, COMMITTEE ON CLAIMS

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I offer a privileged resolution (H. Res. 290), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That until otherwise provided by law there shall be paid out of the contingent fund of the House additional compensation at the rate of \$1,000 per annum to the second assistant clerk to the Committee on Claims so long as the position is held by the present incumbent.

Mr. COCHRAN. Mr. Speaker, for years the law provided that the assistant clerk of the committee, basic salary \$1,800, should receive \$1,000 additional as long as the incumbent held the position. He entered the armed forces and a substitute was secured, but under the law only \$1,800 could be paid. The substitute has developed into an excellent clerk, but the chairman of the committee states that another position has been offered to the present clerk, and unless he is able to pay the salary that was received by the former assistant clerk she will resign.

The chairman of the committee presented a real case to the Committee on Accounts and the request was unanimously approved.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. CLEMENTS] be granted leave of absence until June 20, on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LIVING QUARTERS FOR AMERICAN TROOPS IN GERMANY

Mr. PRICE of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PRICE of Florida. Mr. Speaker, I read from a letter I have just received from a boy in Germany, as follows:

GERMANY, May 31, 1945.

DEAR EMORY: Just a line to let you know that I came through the European theater of operations, you might say, on a prayer. Our unit, like many others, fought from the time of arrival until "cease fire" order was given. Combat, to me, was the most terrible experience I ever hope to go against.

Yes, the end of the war in this area left the enlisted men as well as junior officers wondering just who won the war. The military government refuses to inconvenience the German people in order to provide decent living quarters for American troops. At present we are in a schoolhouse on the Austrian border, still on the German side, sleeping 20 men on the hard floor in a room not larger than 20 by 20 feet. Needless to say, the men are pretty low as far as morale goes and many are writing their Representatives in Washington of conditions here that are unlike the rosy picture painted by the various newspapers at home. It is pretty hard to take, after what we have gone through. I'll only mention one—walking and crawling through blood and brains of men you have known so well.

EXTENSION OF REMARKS

Mr. SIKES (at the request of Mr. PRICE of Florida) was given permission to extend his remarks in the RECORD.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter from Sgt. Don Robinson, editor of the Forty-fifth Division News, and in the other to include a copy of an editorial from the Washington Post.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a poem, the Flag of Nations, by Miss Hallie McMillan, and in the other with reference to the Army point system, and to include therein a letter from a boy on the European front.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include therein a short letter from the Veterans' Aid Committee, from Bluffton, Ind., and also another article on the pauper's oath for veterans.

SMALLER WAR PLANTS CORPORATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Smaller War Plants Corporation has done some good work in Massachusetts. Its last bimonthly report does not show where there is any decrease in the functions the Corporation was originally established to perform. In addition, the Seventy-eighth Congress placed on it important new duties in the matters of reconversion and contract termination.

I note by Sunday's papers that the Surplus Property Board issued a regulation, dated June 2, which designated the Smaller War Plants Corporation as the buying agent, or clearing house, on all purchases for veterans desirous of

obtaining surplus property for the purpose of engaging in any and all types of business or profession as well as farming.

By virtue of its 102 offices throughout the Nation, the Smaller War Plants Corporation is very well situated to perform this service for veterans. As you know, I am always deeply interested in the welfare of veterans. It is my earnest desire that adequate facilities be available to veterans to obtain, under a first priority rating now assigned them, the tools, equipment, and machinery they desire up to the \$2,500 allotted to each veteran.

I am cognizant of the fact that the reduction of \$1,000,000 below Budget estimate was recommended by the House Appropriations Committee prior to the date of the issuance of this Surplus Property Board regulation, and I am fearful that the \$7,000,000 will not be sufficient to carry on the necessary activities of the Smaller War Plants Corporation. It is my hope that the Senate committee may be able to determine what additional amount might be necessary to enable the Corporation to fully discharge its duties. I am especially interested that no veteran should be slighted or neglected in his quest for surplus property which he may have need for. Every facility should be placed at his or her disposal.

OPERATION OF GOLD MINES

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, yesterday Canada lifted all restrictions on the mining of gold and other metals. Papers headlined the fact, and I suppose that many people will read that to mean that Canadian gold mines had been completely shut down by decree as ours have been. Such is not the fact.

Canada never did close her gold mines. Their control order merely prohibited expansion—after June 22, 1942—except by permit. There is a vast difference between limiting expansion and shutting down. Canadian gold mining has never gone below 70 percent of normal, even with short manpower. The gold mine closing order in the United States, L-208, on the other hand, was a complete shut-down, a 100-percent stoppage of production.

And that shut-down, Mr. Speaker, has been maintained here while the United States, as a matter of top Government policy, exported equipment and supplies to keep gold mines going in Canada, Honduras, Saudi Arabia, and South Africa. Our gold miners and our gold-mining communities have accepted that discrimination with questioning, of course, but with obedience always. Their sons and daughters have been out on the battle fronts and they have backed them up with purchases of bonds and with tremendous scrap salvage campaigns.

But now, Mr. Speaker, with controls being lifted in one industry after another, with men in high places talking about unemployment ahead, and with

Canada lifting the lid on expansion where they have never even restricted normal operations, our gold-mining communities will see in continued shut-down only gross and unjustified discrimination. L-208 should be abolished at once.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, in reference to this gold-mining enterprise, I just want to bring to the attention of Congress that we have regulations in this country to protect our citizens from being duped from gold-mine stocks. But there are people in Canada—and I do not know whether they come from this country or not—who are trying to promote these gold-mining schemes. They are calling up citizens of this country by long-distance telephone after they have gotten their names and telling them about these mining projects. They are trying to pull the wool over the eyes of the American people by selling stocks that have little if any value for much more than they know them to be worth. The old stock swindle is in operation today. Why permit it? It seems to me if the people want to mine gold they had better do it in the United States, where they know something about it and where they will receive treatment such as our own citizens received under stock regulation, rather than to go to some foreign countries and waste their money on worthless stock now being promoted by someone in foreign countries, not through the mail, but over the telephone. American citizens, do not be gullible for telephone calls offering you stocks for sale over the telephone.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem written by Mr. T. M. Semple, of New Palestine, Ind.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE OPA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, if the Congress has one duty to the people of this country it is to clean out the OPA, root and branch, and start all over.

The OPA is forcing legitimate businessmen into the black market, causing discontent among the people, causing farmers to lose money on cattle, curtailing meat supplies now and in the future. Why should the Army have a 3 years' supply of sugar or meat on hand?

Why should food lay in storage until it is spoiled? Recent investigations have proven that there are more than 75 times as much food in storage as the War Food Administration had reported. Why don't these war agencies tell the truth, and above all, why don't they let the people have food? They want them to work and to buy bonds.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

MOTOR VEHICLE USE TAX

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I have written the Committee on Ways and Means urging that my bill H. R. 723 may be brought out for action in order that the Congress may repeal the obnoxious motor-vehicle use tax before July 1, when the tax is due to be renewed. Letters in approval of my bill have reached me in sufficient numbers to make certain the widespread unpopularity of this \$5 use tax, and I am certain that repeal would speedily follow if the two branches are given an opportunity to vote.

This tax simply cannot be justified. It is an absurd law to begin with, because the Treasury Department has to call upon the Post Office Department to help administer it, and then rely entirely upon local authority to enforce it. Administration is ineffective and enforcement inadequate. Experience shows that neither can be improved. The percentage of delinquency is unbelievably high and apparently nothing can be done about it. It destroys confidence in government. The man who buys a stamp sees his neighbors driving without one, and feels he has been a "sucker." Hundreds of thousands of automobile owners have simply refused or neglected to pay the tax.

The tax is unsound in principle because it is discriminatory and unfair to users of low-priced cars and fails to consider ability to pay. One-half of our motor vehicles are owned by individuals who, when the tax was imposed, were earning less than \$30 a week. It is ludicrous to see a lowly car, being hounded for its last miles, paying the same as a costly limousine.

The tax is of doubtful constitutionality. Being a tax on transportation, it is discriminatory because it applies to only one kind of transportation. It invades States' rights by putting the Federal Government into a taxing field that belongs to the States themselves.

This \$5 use tax is disliked just as violently by officials having to do with the administration of the law or its enforcement, as by the car owners themselves. During rationing our people have endured this silly tax with great patience, especially the holders of only A coupons. The man who has driven only a hundred miles in 3 months pays just as much as the one who drives a hundred miles a day. This is taxation without transportation. If the law is repealed, there will still be,

in some States, as many as 17 direct taxes on automobile users.

VISITS ABROAD BY MEMBERS OF CONGRESS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. WILSON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF TRADE AGREEMENTS ACT

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, those of us who have the honor of representing agricultural districts were concerned over the passage of the extension of the Trade Agreements Act giving to the President power to reduce tariffs by an additional 50 percent. Agriculture has been hit the hardest by the trade-agreements program. Congressman FRANK CARLSON, a member of the Committee on Ways and Means, pointed out that the tariff rates on agricultural products had already been cut by 46 percent. Apparently this additional authority is sought by the State Department for the purpose of making further cuts on agricultural products.

The farmers of America are aware that the shipbuilding interests of the country are subsidized by the taxpayers to the extent of 100 percent. This is done so that our shipbuilding industry can compete with cheap foreign labor construction costs.

Mr. Speaker, the farmers of the country are also aware that the shipbuilding interests, at the request of the administration, lobbied for the trade-agreements law so that American agriculture would become more and more at the mercy of cheap foreign agricultural production. They are also aware that a vast majority of those Representatives coming from shipbuilding centers voted for the bill to further take away the farmers' protection against foreign competition.

How long are the shipbuilding interests going to get away with this? It must be remembered that the farmers did not start this controversy. The shipbuilding interests, by their lobbying and by their votes, are flirting with some dangerous opposition.

EXTENSION OF REMARKS

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Science Monitor.

Mr. PITTENGER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an advertisement of the American Bakers' Association appearing in a recent issue of the Washington Evening Star.

Mr. BUFFETT asked and was given permission to extend his remarks in the

Appendix of the RECORD and include a letter from a constituent.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Nebraska [Mr. STEFAN] may extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a statement made before the Committee on World War Veterans' Legislation by Dr. John H. Baird answering attacks made by one Mr. Maisel in a recent magazine article.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE LOST GENERATION OF SCIENTISTS

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein a short magazine article and certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. GIFFORD addressed the House. His remarks appear in the Appendix.]

PRESIDENT, TRUMAN AND THE FEPC

Mr. BREHM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, if my information is correct, President Truman has addressed a letter to the gentleman from Illinois [Mr. SABATH] requesting that the Rules Committee grant a rule on FEPC.

I now quote from the President's letter as it was printed in the Washington Evening Star:

I therefore urge the Rules Committee to adopt a rule permitting this legislation to be voted down by the Members of the House as quickly as possible.

I wonder if that is a true quotation from the President's letter or if it is a misquotation. Does President Truman want a rule adopted so that the House may vote down the FEPC?

Mr. RANKIN. That is what he ought to have said.

Mr. BREHM. I am only interested in getting the exact quote from the President to avoid confusion later on.

Mr. SABATH. I am sure he wanted the Rules Committee to function as the Rules Committee should function.

BRIG. GEN. FRANK T. HINES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, Members have no doubt noticed in the press that General Hines has resigned as Administrator of Veterans' Affairs and that Gen. Omar N. Bradley is to succeed him.

I have made arrangements for General Bradley to appear before the Committee on World War Veterans' Legislation, in executive session, at 1:30 o'clock this afternoon. I will say to the members of that committee.

I wish to pay my tribute to General Hines. I have worked with him now for more than 20 years, during which time he faithfully served the veterans of this country, as millions of veterans, as well as their dependents, will testify. I have never asked General Hines for a political favor; I have no patronage in the Veterans' Administration; but I want to say to you now that I have never met a more conscientious public servant, or one more devoted to the cause he served, than Gen. Frank T. Hines has been in looking after the disabled veterans and their dependents.

The following letter, from President Truman to General Hines constitutes one of the finest tributes ever paid to a public servant.

THE WHITE HOUSE,
Washington, June 7, 1945.

DEAR GENERAL HINES: With great regret I accept your resignation as Administrator of Veterans Affairs and as Administrator of the Retraining and Reemployment Administration. These resignations are to take effect upon the qualification of your successor in each instance.

You have served faithfully, loyally and efficiently in charge of the affairs of veterans for more than 22 years. It has been a record of accomplishment and of service to your fellow veterans in which I am sure you and those associated with you must feel great pride.

I am accepting your resignation only because of a feeling which I have long held that the veterans of this war should have as the Administrator of their affairs another veteran of this war. For that reason I am asking Gen. Omar N. Bradley to take over the affairs of the Veterans Administration.

By the time General Bradley's duties will enable him to assume office, the congressional investigation, which was begun at your own solicitation, will have been completed.

I want you to know that I have always had and shall continue to have complete confidence in you and in your handling of public matters. In fact I shall ask you within the near future to take another post of public importance, and I hope that you will accept it.

With kindest personal regards,
Very sincerely yours,

HARRY TRUMAN.

BRIG. GEN. FRANK T. HINES,
Administrator, Veterans' Administration,
Washington, D. C.

RULE WAIVING POINTS OF ORDER ON WAR AGENCIES APPROPRIATION BILL, 1946

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 289 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3368) making appropriations for the war agencies for the fiscal year ending June 30, 1946, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

Mr. SMITH of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, for over 4 years the Committee on Rules has requested and urged the Committee on Appropriations not to bring in legislation on appropriation bills depriving the legislative committees of their functions.

This rule before us today makes in order H. R. 3368, making appropriations for war agencies. Included in the bill are many provisions that the Committee on Appropriations had no right or jurisdiction under the rules of the House to embody therein. The most unjustified provision carried in the bill is that pertaining to the operation of commercial railroads and truck lines to which the chairman of the Committee on Interstate and Foreign Commerce objects, and has expressed resentment to the action of the Committee on Appropriations. I quote an excerpt from a letter the chairman of that committee has addressed to the Committee on Rules calling attention to the provision in question:

On page 6 of this bill, lines 11 to 16, there appears the following language:

"Provided further, That in operating any commercial railroad or truck line the Office of Defense Transportation shall pay whatever license or inspection fees and highway compensation taxes such lines would have been obligated to pay had they continued in operation under the control of the owners thereof."

I fully appreciate the necessity of this legislation authorizing appropriations for the war agencies and it is only for that reason alone the rule should be adopted so that funds for the fiscal year 1946 may be available by July 1 of this year.

Mr. Speaker, it is manifestly unfair and not proper on the part of the Committee on Appropriations to embody legislative matter in appropriation bills, including therein legislation which they favor and on the other hand refusing at the same time to include needed emergency appropriations, such as for the Office of Price Administration and, especially, for the Fair Employment Practice Commission, for which there is a country-wide demand.

Once more, I express the sentiment of the membership of the Committee on Rules that they look with disfavor upon the infringing of the prerogatives of legislative committees, especially after they have held long hearings and are ready to report the proposed legislation to the House.

Mr. Speaker, the gentleman who preceded me a few moments ago said that the President had sent me a letter and he quoted from a newspaper article to the effect that the President wants the rule voted down. Some newspapers delight to make mistakes or to misquote and it is my observation that they do make mistakes quite often. We, too, make mistakes, but it is apparent that some newspapers on occasions do so deliberately, while we do not. So that there may be no misunderstanding as to the contents of the President's letter, I shall read it for the information of the Members. It is as follows:

THE WHITE HOUSE,
Washington, June 5, 1945.

DEAR MR. CONGRESSMAN: I understand that the House Appropriations Committee has deleted from the war-agencies appropriation bill for the fiscal year beginning July 1, 1945, all appropriations for the Fair Employment Practice Committee.

This action will have the effect of abolishing the Committee and terminating its work without giving the Members of the House of Representatives an opportunity to vote on the question.

The Fair Employment Practice Committee was originally established before the attack upon us at Pearl Harbor, and was an integral part of our defense-production program. It has continued since then in one form or another, and has grown steadily in importance. Its work has been based on the principle that the successful prosecution of the war demands the participation of all available workers regardless of race, creed, or color, and that the policy of the United States was to encourage all such persons to full participation in the war effort.

The war is not over. In fact a bitter and deadly conflict lies ahead of us. To abandon at this time the fundamental principle upon which the Fair Employment Practice Committee was established is unthinkable.

Even if the war were over, or nearly over, the question of fair-employment practices during the reconversion period and thereafter would be of paramount importance. Discrimination in the matter of employment against properly qualified persons because of their race, creed, or color is not only un-American in nature, but will lead eventually to industrial strife and unrest. It has a tendency to create substandard conditions of living for a large part of our population. The principle and policy of fair-employment practice should be established permanently as a part of our national law.

I understand that one reason assigned for omitting an appropriation for the present committee is that a proposal is now before the Congress to establish a permanent and statutory Fair Employment Practice Commission.

The legislation providing for this Commission is now in the Rules Committee.

Unless it is sent to the floor, the Members of the House will have no opportunity to vote upon it. The result will be that on July 1 next the principle of fair-employment practices will have been abandoned by the House of Representatives.

I therefore urge the Rules Committee to adopt a rule permitting this legislation to be voted upon by the Members of the House as quickly as possible.

Very sincerely yours,

HARRY TRUMAN.

HON. ADOLPH J. SABATH,
Chairman, Rules Committee,
House of Representatives,
Washington, D. C.

Consequently, the statement to the effect that the President asked that the rule be voted down, of course, is unfair and unjustified. To the contrary, he is in favor of this legislation, and I believe he would welcome and appreciate if we would today make in order an amendment which would provide for the appropriation for the Fair Employment Practice Commission. I appreciate, as I have stated, that the rule must be adopted because the appropriations for the continuation of the other war agencies designated in the bill are necessary. However, I feel that no point of order should be made against an amendment to the bill making in order the appropriation for the Fair Employment Practice

Commission, leaving aside for the time being the question of the appropriation for the Office of Price Administration, which, I understand, will be taken up later.

Mr. Speaker, it has been over 3 months since the Norton bill providing for a permanent Fair Employment Practice Commission was reported by the Committee on Labor and that application was made to the Committee on Rules for a rule to provide for its immediate consideration. The first hearing for the granting of a rule was had on March 8, followed by additional hearings on April 19, 20, 25, and 28, and those members present of the Committee on Rules will confirm that I have made every effort to obtain favorable consideration for a rule. However, my every effort to obtain a vote on the granting of a rule has been frustrated at every turn.

It is indeed strange that many who are opposed to the granting of a rule, including some of the newspapers, have unfairly charged me and hold me responsible in not bringing in a rule to give the Members of the House the opportunity to vote on this proposed legislation to establish a permanent Fair Employment Practice Commission. However, it has now been definitely agreed that a vote will be taken on the rule next Tuesday, June 12, and the committee will have the opportunity to grant or defeat the rule to consider this urgent legislation. Personally, I hope that the vote will be favorable and thereby afford the opportunity to the membership to vote on this legislation, which is demanded by fair-minded citizens and organizations throughout the United States. While I have obtained unanimous consent to insert some of the hundreds and hundreds of letters, telegrams, appeals, and resolutions which I have received urging the enactment of the legislation, I shall not encumber the Record, as they are too large in number and it would not be fair to insert some to the exclusion of many resolutions which I have received from churches and organizations that I do not wish to omit.

May I in conclusion say this? Not only is President Truman in favor of the legislation but the very last request made by the late President Roosevelt on the day that he died was that the Fair Employment Practice Commission be continued. His secretary called on me at 3 o'clock in the afternoon on that day conveying the President's request that I do everything in my power to endeavor to bring about the adoption of a rule for this legislation. In view of the fact that our late President and our present great President, as well as the Republican and the Democratic Conventions, are on record favoring this legislation, I cannot see why favorable action should not be taken, why the rule should not be granted, and why there should be any objection on the part of any one making this country-wide demanded legislation in order.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, I believe the Rules Committee has erred bad-

ly in presenting a rule to the House which makes it impossible to bring the appropriation for the FEPC before the membership for a vote. I fear this action has been taken by the Rules Committee because of certain misconceptions about the FEPC which are unfortunately quite ripe among many people.

No agency is more misunderstood than the FEPC. Among the more important distortions of the truth about this agency are the charges that it promotes social equality; that it forces unwelcome, unqualified workers upon employers; that FEPC is concerned solely with discrimination against Negroes; that it insists on a quota plan in employment.

As to the first of these allegations, there is nothing in the Executive order under which the FEPC functions or in the history of the agency's operations to justify this assertion. The FEPC has limited itself strictly to cases of discrimination in employment. It has neither power nor desire to regulate social relationships. The functions of the Committee are too essential in the search for manpower and too closely related to the problem of worker morale to permit excursion into social issues over which it has no jurisdiction. The task and sole aim of the FEPC is concisely stated in the Executive order:

It is the policy of the United States to encourage full participation in the war effort by all persons in the United States regardless of race, creed, color, or national origin, in the firm belief that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders.

Likewise untrue is the charge that FEPC forces unqualified workers upon employers. Free choice of workers is limited by FEPC only to a prohibition of discrimination against a qualified and needed worker because of his race, or creed, or national origin. No employer has been asked to take any worker unqualified for the available position, nor has any employer been asked to hire an unneeded person. The Nation's short manpower supply does not permit such waste. It is FEPC's wartime duty to encourage the employment of all qualified workers needed in Government and in war industry regardless of their ethnic, creedal, or geographic origins. The great number of workers added to the labor force by this policy more than justifies the use of a democratic restraint upon the customs of certain employers.

The simple language of the Executive order clearly shows FEPC is not alone concerned with discrimination against Negroes. The Executive order forbids discrimination in employment because of race, creed, color, or national origin. The protection of FEPC is thus extended to 13,000,000 Negroes, 5,000,000 Jews, 20,000,000 Catholics, and 3,000,000 Americans of Mexican descent. Discrimination hits hardest against Negroes and from the group come 85.7 percent of the cases handled by FEPC. The high percentage of Negro complaints is a reflection of the number of Negroes and the severity of discrimination against them, rather than the concern of the President's committee with the so-called race problem.

The assertion that FEPC insists upon a quota plan in employment is almost too ridiculous to deserve an answer. The FEPC has repeatedly condemned quota systems of hiring. In two recent decisions—in the matter of McQuay-Norris and in the matter of the United States Cartridge Co.—the committee ruled that—

A race quota system of employment would be inconsistent with the individual protection against discrimination "by reason of race, creed, color, or national origin" to "any person in war industries and government" afforded by Executive Order 9346 * * * such a system works to the disadvantage of individuals in both minority and majority groups by providing that consideration of race rather than qualifications and availability shall operate as the criterion for hiring an employee.

The protection of the President's committee is extended to qualified individual members of minority groups, not to the groups as a whole. A quota plan makes membership in some racial or religious minority group a condition of employment—a clear violation of the Executive order.

The late Franklin D. Roosevelt inaugurated the FEPC. His worthy and distinguished successor, President Harry Truman, has called for its continuation. I hope the Members of this House will soon have an opportunity to vote up or down the recommendations of these two great Americans.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I find myself in the position where I must vote for the pending rule with a great deal of reluctance because of the omission by the Committee on Appropriations of an appropriation for continuance of the Committee on Fair Employment Practice. Defeat of this rule would delay and possibly cause the denial of annual appropriations for the continuance beyond June 30 of a number of vital and necessary executive agencies included in the national war agencies appropriation bill for 1946.

I cannot for the life of me understand how it is that a considerable number of my colleagues on this side of the aisle, who reputedly carry the emblem of the Democratic Party, flout the wishes of the leader of our party, President Truman, of our late President, Franklin Delano Roosevelt, and of the vast majority of the fair-minded citizenry of this Nation.

When the national war agencies appropriation bill came before the full Committee on Appropriations, of which I have the honor to be a member, I opposed the recommendation of the subcommittee to omit the usual annual appropriation for continuance of FEPC. I felt that I would be derelict in my duties as an elected Democratic Member of this House if I did not oppose such an omission from the bill because the establishment of a permanent FEPC was promised the electorate of this country under the terms of the Democratic national platform adopted at the convention to which I was a delegate last July

in Chicago. As one who sincerely believes in tolerance and equal economic justice for all, it seems to me that the very fundamentals for which we are now fighting and for which innumerable American lives have been sacrificed are being jeopardized by the prejudice, intolerance, and unfair position taken by those who oppose the principles of FEPC. There can be no excuse for not having this very important matter considered by the full membership of this House. With that in mind, I followed the distinguished chairman of the Appropriations Committee before the Committee on Rules yesterday and opposed the granting of any rule which would prevent consideration and granting of the annual appropriation for this agency. In so doing I felt that I responded to the recent request of President Truman that Congress establish a permanent Committee on Fair Employment Practice.

The people of America should be proud of the valiant stand and courageous fight on behalf of this legislation made by the distinguished gentlewoman from New Jersey, chairman of the Labor Committee. How true are the words she uttered only yesterday upon the floor of this House, when she said: "If the things we are fighting for for which millions of American lives have been sacrificed—white Americans, black Americans, naturalized Americans, Catholics, Protestants, and Jews—mean what we have said they mean, then in God's name forget prejudice, forget their color or their race and give to all equal economic justice under the law."

It would indeed be a travesty on justice if, when the Rules Committee meets next Tuesday to consider the granting of a rule on H. R. 2232, that committee should refuse such a rule and thus deprive the full membership of this House of the right to vote upon the merits or demerits of the FEPC bill. We who are in favor of a permanent FEPC are confident of success should the matter reach the floor of this body and are willing to accept the decision of the entire membership in regard thereto.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this rule waives points of order against items in the bill. That is all it does. It says nothing about and has nothing to do with FEPC. We are told that in order to carry on the program today this rule must be adopted.

Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I rise to discuss a serious defect in the present organization of the executive branch and to present a remedy. I have today introduced a bill to reconstitute the Civil Aeronautics Board as an independent agency, taking it out of the Department

of Commerce, where it was placed by Executive order.

This subject has far-reaching implications. It involves such fundamental principles of organic law, and so vitally affects our future, that we should consider it only in the most enlightened and nonpartisan spirit. It has a bearing on the proposed airport bill, and therefore will influence, and either advance or retard, air travel and commerce. It relates to the proposed bill to grant to the President power to reorganize the executive branch and therefore poses the question whether or not such powers, if granted, will be used to improve and perfect, not merely to rearrange, the administration of government. It poses the question of whether the power sought by the President, if granted, will be used to subject to political control the great independent agencies such as the Interstate Commerce Commission, which is for surface transportation the counterpart of the Civil Aeronautics Board. It involves a basic concept of our economic and political life. It evokes a principle the endorsement or rejection of which by the President of the United States will provide a true test of the devotion of this administration to our proven and time-honored system of the regulation and control of great segments of our economy by quasi-judicial, quasi-legislative agencies. It thrusts into the debate of the House this question: Whether or not the present administration will preserve the independent authority of these great agencies and respect the fundamental truth that they are embodiments of the legislative principle and answerable to the Congress.

The Civil Aeronautics Board was divorced from the Department of Commerce and set up by Congress in the Civil Aeronautics Act of 1938 as an independent agency. In 1940 it was placed back in the Department of Commerce by Executive order. That Executive action was taken against the better judgment of most of the friends of aviation and against a majority vote of this House.

Implicit in the proper regulation and development of the aviation industry is the welfare and a large share of the future prosperity of our Nation. Continuance of control by the Department of Commerce over the agency regulating this industry will subject its deliberations to political pressures and divided responsibility, if not irresponsible meddling.

Right at this time we are about to entertain a proposal to appropriate a large sum—perhaps \$1,000,000,000—for the purpose of aiding the development of public airports throughout the country. My remarks do not relate to the wisdom of granting aid or the necessity of stimulating the development of such a project. Under present conditions, however, there is serious danger that the execution of this plan may provide another spectacle of executive encroachment, mismanagement, visionary, and impractical administration.

As originally constituted, the Civil Aeronautics Authority was created as an independent, quasi-judicial body, responsible only to Congress, and so designed as to attract able men capable of apply-

ing broad, practical experience without interference.

I maintain that the present Board's deliberations, decisions, and administration must not be kept subject to partisan control, or the experimental theories of men unfamiliar with practical aviation problems. The management of its 10,000 employees and the establishment of its policies must be integrated, intelligent, and dynamic, not confused and ineffectual through divided and perhaps conflicting responsibility. We must recognize the need for impartial and expert judgment by men familiar with air navigation, transport, and operation. Failure to do so may subject the Congress to the charge that its neglect of this critical industry will have hampered its proper growth and thereby weakened the economic and military strength of this Nation.

The Civil Aeronautics Board, or the Administrator, will largely determine the future of the great aviation industry in this country. They will have the administrative responsibility for the proper allocation of approximately \$1,000,000,000 in the coming years. It is erroneously suggested by some that the present Authority is free from undue influence by the Secretary of Commerce, but I should like to point out in passing that Mr. Wallace is right now taking flying lessons in order to qualify as an "expert."

Aviation experts are not made by flying a few hours with a tutor. I might as well try to qualify myself to run the Philharmonic Symphony by buying one of those dollar piano courses which profess to teach you to play anything you can hum, sing, or whistle.

Any such program the Congress may enact should be administered by competent, independent, and experienced men. I would hate to see any such program subjected to the purposes of political manipulation.

The functions of the Civil Aeronautics Board were once before under the jurisdiction of the Department of Commerce. By the Civil Aeronautics Act of 1938 Congress established it as an independent agency for the express purpose of removing it entirely from political influences under which it now struggles. A special Senate Committee on Safety in the Air made an extensive study of the entire problem of the regulation of civil aviation. In its preliminary report, dated June 20, 1936, its findings of fact were published. I shall submit them for the RECORD:

ORGANIZATION

1. The general complaint coming from everyone, both in the manufacturing and operating industry and from the public generally, is that the Bureau of Air Commerce does not at this time have sufficient prestige or rank within the Department of Commerce to make for efficiency. It is pointed out that with the promulgation of the Executive order of June 10, 1933, aeronautics in the Department of Commerce was relegated to the status of a bureau.

The committee finds that such a claim is well-founded. * * * But the work in aeronautics is still in such a state of flux that the activity should not be relegated to the status of a bureau.

2. It is alleged that personnel and financial control is outside the Bureau and in the

hands of the administrative assistant to the Secretary of Commerce, thereby embarrassing the Director and his two assistants.

We find this to be true.

3. It is alleged that personal, promotional, and political activities, cropping up here and there, make for inefficiency.

The committee finds that this is true. (S. Rept. 2455, 74th Cong., June 20, 1936.)

The findings in that report were sufficient to show the wisdom of establishing the Civil Aeronautics Authority as an independent agency answerable to Congress. The impartial recommendations of Members of the Senate and the House over a period of years endorsed that view, and legislative action was taken in the Civil Aeronautics Authority Act of 1938. Nevertheless, the Executive in 1940 used reorganization powers to overrule this judgment and place this agency under the jurisdiction of the Department of Commerce, subject to its administrative officials. By so doing the Executive ruptured the direct relationship of the agency to the Congress and openly flouted the clear legislative intent to remove this quasi-judicial body from undue political influence.

Subsequently, in 1943 the Committee on Interstate and Foreign Commerce submitted a favorable report on a bill to reestablish the independence of the Civil Aeronautics Board. At this point I submit an excerpt from this report for the RECORD:

Your committee recommends the removal of these aeronautical agencies from the Department of Commerce at this time in order to permit them to perform their functions with maximum efficiency. * * * This committee is convinced * * * that agencies of the character here involved cannot function with the highest degree of efficiency and sense of public responsibility unless they have the status of independent agencies of the Government.

The Civil Aeronautics Authority was established in 1938 as an independent agency, and it so exercised its functions until the reorganization in July of 1940. During that time it was clearly demonstrated that the Authority could exercise its functions without supervision by any executive department or other agency. In view of that fact it appears to be a needless duplication of effort and personnel to require the Secretary of Commerce to establish an additional staff to supervise the work of this agency. It is, of course, necessary in many cases to group together a number of divisions and bureaus under the general supervision of a department head in order to provide for proper coordination of the functions performed by these divisions and bureaus, but that is not the case in this instance. The functions performed by the Commission and the Administrator provide for the complete and integrated regulation and promotion of civil aeronautics, and it is not necessary that any provision be made for the coordination of these integrated functions with others.

Not only does the supervision of the Secretary of Commerce constitute a needless duplication of functions, but it also introduces complications into the performance of this important work without any compensating benefits. For example, instead of the Administrator being able to take speedy action, it is necessary for any problem of importance to be considered and disposed of by the office of the Secretary of Commerce and a special assistant to the Secretary has been provided for this purpose. While the Board, under the existing organization, may act with greater independence than the Administrator, it is necessary for it to clear all

of its reports to Congress and the President through the Secretary of Commerce, which necessarily in the aggregate takes a great deal of time and effort. It certainly cannot be expected that the Secretary of Commerce, in view of the responsibility placed upon him by the reorganization orders, can do otherwise than actually exercise a substantial amount of supervision over the Administrator and actually give careful consideration to the reports proposed by the Board.

One of the major reasons for establishing the Civil Aeronautics Authority as an independent agency in 1938 was that the aviation industry had even at that time acquired such importance that it was thought necessary to have an independent agency fully responsible for its regulation and promotion. Since 1938 that industry has grown by leaps and bounds and its full potentiality has been demonstrated by the role which airplanes have played in the present war. It is even more clear now that in order to regulate and promote this industry the responsibility must be imposed upon men who devote their full attention to it. Ultimate responsibility for the future of the industry must not be delegated to an officer who must necessarily devote only a fraction of his time to that work. Moreover, when the Civil Aeronautics Authority was placed in the Department of Commerce the officers of that agency were placed in a relatively subordinate position. Under such circumstances it may be difficult in the future to fill these positions with men of the high caliber which are required to guide the destiny of an industry having such a vital bearing upon the future of this Nation. (H. Rept. No. 784, 76th Cong.)

Because, as I have shown, this action has been recommended by both Democrats and Republicans in both the House and the Senate; because it will serve the practical interest of both the industry and the public; because it is consistent with our traditional theory of Government, I urge my colleagues of the House to give their support to this measure.

Mr. Speaker, I ask unanimous consent to include as part of my remarks the report of the Committee on Interstate and Foreign Commerce of the House.

The SPEAKER. Without objection, the gentleman may extend his remarks as requested.

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I have made and include therein a number of telegrams and letters.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHENER. Mr. Speaker, I have no further requests for time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

NATIONAL WAR AGENCIES APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3368)

making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3368, with Mr. SPARKMAN in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill calls for a multitude of appropriations for a multitude of agencies, from the Office of War Production down to the OWI, the Office of Scientific Research and Development, the Office of Strategic Services, and the Office of Inter-American Affairs. It also provides \$40,000,000 for the Surplus Property Board.

The gentleman from Massachusetts [Mr. WIGGLESWORTH] discussed the details of many of these items yesterday. I am going to spend most of my time discussing the OWI. In that case there was an original estimate of about \$54,000,000, a revised estimate of \$42,000,000, and a recommendation from the committee for \$35,000,000. The OWI has on its roll at the moment about 10,375 employees. Of these about 2,800 are in New York City. Eight hundred and ninety-five, if I remember correctly, are in San Francisco. About 1,700 are in the Pacific area and about 2,800 in the Atlantic area, including Germany, France, Italy, all over Africa, and many other places in Europe, in both the Allied countries and the occupied countries.

It is apparent that their activities in Europe should be close to an end. It is apparent that we should not go any further with it.

Last year there was spent upon the Japanese situation about \$12,000,000. That is the only activity of a major character that this outfit should be permitted to carry on. There are very few items that might justify themselves in the United States, like the preparation of the Government manual. But all of these activities, running a book and magazine bureau, a foreign news bureau, graphics bureau, news bureau, bureau of special services, a radio bureau, and a motion-picture bureau, ought to be eliminated. It is all right that they might have authority to screen certain governmental printing and publications and cut them out, but they certainly should not do any more than that. It is ridiculous for them to get out a news release.

Now look at the figure of \$35,000,000, and I am going to give you some figures that are of interest, at least to me. The entire Associated Press news-gathering and distribution service only calls for a pay roll and expenditure of a total of about \$12,000,000. The entire United Press, with its set-up all over the world, only costs, over all, \$10,000,000. Is it not ridiculous that these people should have spent for a much lesser activity \$35,000,000? They cannot come here with the idea that they are carrying on this activity in aid of the war effort. I took the trouble to check over the sort of thing they were doing. At the San Francisco office with 895 people on the

pay roll, they sent out 12 broadcasts in a day. I am advised that 12 people, news gatherers and that sort of thing, would be sufficient to run the thing and do the broadcasting. One of the broadcasters was a navy officer, Captain Zacharias, who was paid by the Navy. Translators and everything else could well be covered with 15 people. The other activities there, such as looking after the transmission station and that sort of thing, should be covered with 50 people. So they have eight or nine times what they should have.

Take the Atlantic area with 2,100 people in New York City. It is perfectly ridiculous. We should get rid of them. They have nothing of a constructive character to do. There is not any sense in our continuing forever broadcasts to the countries of Europe and Africa and the Near East; we should end that operation. This idea of running a censorship and limiting the things that can go into Germany and come out of Germany except what OWI produces itself on one side of a sheet the size of the Daily News, with which we are all so familiar here in Washington—just one side of the sheet—and still they want several hundred employees in Germany to look after that one thing—it is ridiculous. At the present time their printing activities and everything else in Italy employ 1,300 people. They propose to put 1,700 in the Orient. It is time we got this agency in a position for liquidation—and when we give it a funeral, we ought to give it a decent burial, but we ought not to give it a Chinese funeral with 20,000 mourners; that is, with 20,000 people on the pay roll. It is perfectly ridiculous that we should have that kind of set-up. A set-up of 2,000 employees which would require one-fifth of the amount the committee has allowed would be perfectly adequate to cover every single thing they could possibly do or need.

They are doing some broadcasting in the Philippines. A set-up like that would not prevent them from doing that. They are doing a little broadcasting in China. A set-up such as I have proposed would not do away with that. I should like to see this situation cleaned up; I should like to see it get away from this idea that we should prolong the war a little longer to keep a lot of people in unnecessary activities instead of supporting the war effort. The more chair warmers we have kicking around the agencies with nothing to do, the more we are interfering with the war effort; and that is just what this outfit is doing right now.

Instead of aiding the war effort with productive work, they are interfering with productive work, they are hurting the war effort; and we ought to cut them down to a point where they do not have on the rolls any more than they actually need—only a very few. I really honestly believe that every necessary activity they should carry on could be carried on with 500 people.

There are a tremendous amount of things they indulge in that are perfectly ridiculous. I hold here in my hand a sample of the cartoons they send out to daily and weekly papers throughout the country, something like 15,000 in the

United States. I have here in this box one man's collection for a month of the junk that is sent to him in the form of press cuts and that sort of thing to put in his paper, things he cannot use. I have here the broadcasts they send out in 1 day from San Francisco, a dozen of them. I told you about them and what would be required to carry it on. It just seems to me that we ought to get over that sort of thing and give the major part of that activity in Europe in the occupied zone to General McClure, who represents the Army. He is the one who is going to have the say about it. It really ought to be altogether under them if they are going to occupy a part of Germany and we should not have all this sort of thing going on.

Why, these people are so hard up that they are reaching out and asking the privilege of performing Congressmen's functions. They went over to the joint committee which is now studying reorganization of the Congress and at the hearings the other day stated that they were prepared to take charge of the following up and the answering on congressional mail. Are you Members of Congress so hard up mentally that you are prepared to turn over to that kind of an agency the handling of your mail? If anyone thinks that is what that agency wants to do, they ought to read some of these broadcasts. Most of them are in-sipid, most of them are inane, they are not the things that it would take anybody any appreciable length of time to get up. Any person could take the Army and Navy communiqués day by day and could get up almost everything that is in them.

The CHAIRMAN. The gentleman has consumed 15 minutes.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, we are facing a situation when it is time to begin to curtail, when it is time to begin to reconvert into civilian activities and to get rid of those things that have been masquerading under war agencies, and which have been more of a detriment than a help.

When this item of the bill is reached I propose to offer an amendment which will cut it down very substantially. This will give them an opportunity to liquidate. President Roosevelt started to liquidate the central administrative services and President Truman followed by liquidating the OCD, neither of which performed a useful function. The central administrative services made it more difficult, cumbersome, and troublesome to conduct the routine operations of that activity. The two outfits have been dead quite a long time as far as activity goes; yet it was necessary, so the President thought, for him to send up a Budget estimate of \$90,000 to provide a proper funeral and undertaking service for these two agencies to the Treasury Department at this time. I do not know whether that means that these agencies have refused to liquidate or just what the trouble is, but it does seem as if we should go down the line and strip out the unnecessary activities and the agencies that are asking for money which ought not to be given.

Mr. Chairman, I want to say a word or two about the surplus property situation, which is in the utmost confusion. The Board and the Administrator have not the slightest idea what their situation is. They are not moving the surplus property and this is the time to move it. They asked us for \$60,000,000. The new head of that agency has been announced. I hope that that new man will perform to such a degree that it will result in action which will move that surplus property and get rid of it, because the longer we have it the less we will get out of it, and the more trouble we will have, and the more it will interfere with regular business. The quicker we get rid of it the more we will relieve the shortage in civilian goods, and the more we will let those surplus items contribute to the welfare of the civilian population.

There was another set-up that came before us that was very disappointing, and that is the Office of Economic Stabilization. I do not believe that the gentleman who is at the head of it, a man named Davis, had the slightest idea of what the job was all about. He did not seem to understand what his own force was. From a very small set-up he was trying to build up into a big bureau. It is about time that we began to clamp down on that sort of thing and let all of that be handled by the Office of Mobilization and Reconversion.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. I am happy to have the gentleman's statement regarding the surplus property disposition. In my section of Indiana many of the businessmen have attempted to learn something regarding it, but the whole matter seems to be in a state of confusion. They are able to get but very little information regarding it. I am happy to have the gentleman's information on that subject.

Mr. TABER. I hope that maybe this new man will be able to do something. We have not had anything yet.

Mr. Chairman, I am not going to take any more time at this point and I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am sure that all of us agree that when some person or organization does a job which we believe to be good it is always right and proper to give credit where credit is due. So I am taking this time to inform the House of some of my associations with the OWI. Ever since Pearl Harbor I have collaborated with the OWI in sending short-wave broadcasts to the Scandinavian countries. Being of Danish descent, and coming from a district where there are many Norwegians, Swedes, and Danes, the OWI felt that I was in a position to help them do some good in those overrun countries. I assisted in preparing 15 or 20 speeches which were broadcast to those countries. In all of those speeches I plead with the people to keep the faith with America, and assured them that sooner or later they would be liberated, because they were a Christian people and they should be free.

About a month ago a man from the Danish underground walked into my office and said, "I heard some of your broadcasts. I want you to know that they really lifted us up and did a lot of good." I asked them to do everything in their power to hinder the program of the Nazis, and they did.

I am not a member of the subcommittee which brought out this bill, so I shall not, of course, say whether or not this is too much money for the OWI. I hope the Congress will give the OWI sufficient money to carry on the things that are necessary to be done. I am sure that until the Japanese war is won we need to keep the people of the world informed as to the problems we have in the Pacific, and by so doing I believe we will reap considerable benefits with our allied nations.

I feel certain that a program of this kind is necessary until the war and the peace are won all over the world. In my estimation, the Office of War Information has done a commendable job in the European theater of operations, and all I ask is that they be given the necessary funds to finish the job.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

ARE WE SURRENDERING OUR SOVEREIGNTY?

Mr. HOFFMAN. Mr. Chairman, those who use the most words and shout the loudest, who write and print the greatest mass of propaganda, insist most arbitrarily and vehemently that we, as a Nation, can and should establish a universal, enduring peace by entering into some form of a super-world organization which will carry the "four freedoms"; establish and maintain prosperity, the liberty and freedom of the individual, throughout the world. But the arguments they advance and the course which they chart and follow do not point either toward the liberty and security of the individual, the interests of the United States of America, or the right of the smaller nations each to determine its own form of government.

We know that Russia has seized and is determined to hold and impose her form of government upon Lithuania, Latvia, Estonia, Poland, Hungary, Austria, Bulgaria, Rumania, Yugoslavia, much of Germany east of the Elbe.

We recall Churchill's statement that he did not become "The King's first minister in order to preside over the liquidation of the British Empire"; we realize that Britain hasn't the slightest intention of granting independence to the people of India. Watching the proceedings at San Francisco, it is evident that neither Britain, Russia, nor France has the slightest idea of adhering to the principles promulgated in the Atlantic Charter. Nor does either intend to sacrifice any of its sovereignty or its control over its nationals.

On the other hand, the United States, whose men and materials saved the British Empire, enabled Russia to defend herself and overrun eastern Germany, restored France to her people, shows not the slightest indication of either protecting her national interest or the rights of her citizens. While other nations are grabbing, the United States is giving.

While other nations are extending their territory and power, laying the foundation for future world trade, the United States continues to give away billions of dollars, hundreds of thousands of tons of material, to aid in the rehabilitation of other nations. It continues to sacrifice its men by the thousands to remove the Japanese menace which might otherwise threaten Russia, the British, and the Dutch interests in the Pacific and the East.

Russia protects the individuals who owe her allegiance, so does Great Britain, but the United States gives us an example of how she not only does not protect one of her citizens but actually assists another nation in denying to him his rights as a citizen of the United States when engaged in a diplomatic mission.

THE MYSTERIOUS KENT CASE

On September 3, 1939, England and France declared war on Germany. In October of 1939 Tyler Kent, the son of a distinguished career man in our Foreign Service, was appointed coding clerk in the American Embassy in London. It became his duty to put into code and to decode messages sent or received by the Embassy in a secret code used by the Department of State.

On May 26, 1940, when he was 22 years of age, Kent was seized by the counter-espionage detectives of Scotland Yard. He was accused of having revealed to a member of Parliament, a Capt. Archibald Ramsey, who had been actively engaged in fighting the influence of the political economic planning over the British Empire, what Kent alleged were the contents of certain messages which had passed between Winston Churchill and Franklin Delano Roosevelt and which Kent confessed he had copied and photographed. At the time these messages were received Winston Churchill was First Lord of the Admiralty in the Neville Chamberlain cabinet and Franklin Delano Roosevelt was President of the United States. The messages were transmitted through the secret code used by the Department of State, and at the time Joseph P. Kennedy was the American Ambassador in London.

It is difficult to understand how Kent, who was then but a youth, could have been the only one aware of the contents of these secret messages. Ambassador Kennedy or some of his subordinates must have known what was transpiring. Certainly someone in the Department of State in Washington received the messages from the President, if there were such messages, ordered them put into code and someone transmitted them. On the conceded facts it must be assumed that the State Department in Washington and Kennedy in London were fully aware of what was being transmitted. It seems to have been conceded by Tyler Kent that he did receive, that he abstracted from the official files, copied and photographed the contents of certain cables which passed through his hands in his official capacity.

His mother, who has been in communication with him and who has called on me several times in his behalf, insists that he discovered from these messages that

Churchill was at the time seeking to overthrow the Neville Chamberlain government so that he might, himself, become Prime Minister.

The further claim is made that by the interchange of these code messages Churchill and the late President were following a course which would eventually unite Great Britain and the United States in the war against Germany.

It is further alleged that the code messages also discussed plans for a lend-lease policy. These code messages it is charged were exchanged at a time when the late President and the administration leadership in both Houses of Congress were engaged in an effort to enact certain legislation which the Congress was told, contrary to the fact, would maintain our neutrality and aid in preventing war.

Kent gave as his excuse for disclosing the contents of these messages in violation of his duty, his desire to prevent war; to let it be known that while certain high officials here in America were talking peace, they were actually preparing for war.

Kent's mother claims that more than 450 cables in codes were exchanged between Roosevelt and Churchill. Many of them prior to May of 1940 when Churchill finally overthrew Chamberlain and became Prime Minister. Among the cables which were decoded and the contents revealed, it is alleged there was one sent by Churchill to Roosevelt in October of 1939 in which Churchill, then British Lord of Admiralty, stated:

I am half American and a natural person to work with you. It is evident we see eye to eye. Were I to become Prime Minister of Britain we could control the world.

If such was the intent of Churchill at that time and if he communicated that fact to the late President of the United States, the people of the United States should be made aware of it. What Churchill and the late President of the United States then had in mind should be now fully revealed because in the light of what happened prior to America's entrance into the war, our representatives at San Francisco and the Congress of the United States can the more intelligently determine the course which we should follow. Churchill's secret purpose to become a co-conqueror of the world, if he had such purpose, should now be disclosed. If this Nation was inveigled into a war which it was unnecessary for us to fight; if it was used as a cat's-paw to further the interest of the British Empire or the ambition of a world politician; if our men who have died on the battlefield have been pawns in the hands of an ambitious man; though it is now too late to save the lives of those who have died, it may not be too late to save a million or more other Americans from being sacrificed in a game of international power politics.

If the charges made by Tyler Kent are not true, they should, without further delay, be disproved. We should not this time wait for years after the war is over to learn the facts; wait as we waited after the last war for Colonel House and others to disclose the secret correspond-

ence taking place between President Wilson and foreign representatives.

It is further charged that Sir George Paish, while Kent was being tried in an English court, in August 1940, after a visit to the White House, told Senator WHEELER, "I am responsible for getting the United States into the last war. I am over here now and I am going to cross the United States on a speaking tour. I am going to get this country into this war."

We know that Churchill, when we went into the war, said of our entering into the war: "That is what I have dreamed of, aimed at, and worked for, and now it has come to pass."

When it became known that Kent had divulged this secret information to Captain Ramsey and Ramsey continued to oppose the British Government, Captain Ramsey was arrested, incarcerated and only recently obtained his freedom. But Tyler Kent, the young American, is still confined in a British jail.

WILL THE UNITED STATES PROTECT ITS CITIZENS?

So far in its negotiations with other nations the United States has not adequately protected its own national interests when they came in conflict with those of the British Empire or of Russia. We are always on the giving, not the receiving end, of every deal. It is only by a review of the Kent case that we learn the full extent of the failure of the United States to protect an American citizen.

While billions of dollars worth of material have been given to others and have been expended in the war effort; while our young men have sustained more than a million casualties to bring freedom to peoples and to individuals throughout the world, a citizen of our country is surrendered to the British and thrown into jail because he revealed secret information which, it is alleged, passed between two powerful individuals and which he believed should be made public in order to save his country from war, other young men from death.

It is a matter of common knowledge that every country in the world has the right to protect its diplomatic activities. Every nation, if not recognizing fully the principle that the diplomatic representatives and the property of other nations within certain areas are exempt from local control, has recognized and given at least lip service to it.

Here in Washington the diplomatic representatives of every government are granted immunity from arrest by local or Federal authorities. Embassies and their inhabitants are free from search and seizure. Neither the local police nor our Federal authorities have any right to interfere with the representatives of any foreign nation.

As long ago as 1812, we fought a war with Great Britain when it endeavored to assert the right to search American ships and seize seamen on the high seas. But in the Tyler Kent case the United States did not assert itself, failed to protect its own citizen; permitted him to be seized and thrown in a British prison where he still remains. Why? Is it because if he was released we would learn this war was deliberately planned?

If Tyler Kent committed an offense, in violation of our laws, the rules and regulations of the State Department, and it seems that he confessed that he did decode, copy, photograph and unlawfully disclose the contents of certain messages, he should have been tried by United States authorities either in London, if that was the proper procedure, or he should have been brought back to the United States, tried and, if convicted here, confined. There is no excuse for the action of the Federal Government, of the State Department, in surrendering to British authorities to be tried under British procedure an American citizen, a diplomatic representative who committed an offense against the United States.

Kent under our form of government was entitled to a trial by a jury of his peers. He was entitled to a trial by a jury of American citizens. Just why should he have been surrendered to the British; unless it was that under their system of procedure, he could be gagged; tried secretly; the nature of his offense kept secret; those who conspired, if any did, to involve a nation in war might be protected, remain unknown.

Now that the war in Europe is over, while the representatives of so many nations are conferring at San Francisco in an effort to prevent future wars, it is all important that any information which will throw light upon the reasons for this war, or the causes back of it, and how we became involved in it, are disclosed to our people, so that they and their representatives at San Francisco, and in the Congress, may hereafter avoid a course which may bring about other wars.

Franklin Delano Roosevelt is dead. Churchill will not live forever. Some of those who wrote, who coded, who decoded, who are familiar with the contents of code cables between the State Department, and others in high authority here, and Churchill and any other member of the British Government or individual seeking position in the British Government may die and now is the time, while the witnesses and those having information are still alive, to have the facts placed upon the record.

Perhaps of equal importance is it to learn whether American citizens, no matter how mistakenly they may act, but who sincerely and honestly think they are engaged in a patriotic effort, should have the facts connected with their arrest, conviction and incarceration disclosed so that a plea for clemency may be made; so the justice of their confinement may be determined.

Little is to be gained by the sacrificing of a million men, by the expenditure of billions of dollars, if in the end neither the sovereignty of the Nation nor the freedom and liberty, the constitutional rights of American citizens, are to be protected.

It is time that Congress adopt a resolution appointing a disinterested committee charged with the duty of investigating and spreading upon the public record the facts connected with any messages actually received, decoded and disclosed by Tyler Kent, and which will aid the conference at San Francisco in laying the foundation for a lasting peace. Con-

gress should inquire into and ascertain whether the rights of Tyler Kent, as an American citizen engaged in diplomatic duties, were fully protected and for what reason he was surrendered to British authorities.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Chairman, I want to address myself to the Office of Inter-American Affairs in particular and incidentally to the Office of War Information.

When the State Department appropriation bill has come before the House in the last three fiscal years I have talked about the duplication of functions in the field of our intercourse with foreign nations. In the State Department appropriation hearings I attempted many times to get the State Department to say that they were able, now that the war in Europe is about over, to take over the functions of these special war agencies. I had been led to believe in previous years that the State Department would as soon as possible have responsibility for our entire negotiations with other countries as their exclusive function.

The State Department foreign service personnel numbered around 2,000 3 years ago and was raised another 2,000 the following year, and another 2,000 in the present year, making a total of 6,000 foreign representatives. Now, when you add to that the personnel of the special war agencies of the Government you have confusion compounded. I made the statement when the State Department bill was before the House for consideration that there were so many representatives of different agencies proposing to make friends for the United States that they have to wear badges to keep from giving the Government away to each other. I still contend the Appropriations Committee hearings on this bill confirm my contention.

Now we will consider the Office of Inter-American Affairs. The language appearing at pages 9, 10, 11, and up to line 7 of page 12, has a ring of strange similarity to the cultural-relations sections of the State Department appropriation bill. Let us see what they are doing. They may make "grants of money, property, or services to governmental and public or private nonprofit institutions and facilities in the United States and other American Republics." The State Department cultural-relations program has those same powers. The State Department is engaged in the "free distribution and donation or loan of publications, phonograph records, radio scripts, radio transcriptions, art works, motion-picture scripts, motion-picture films, educational material, and other material and equipment." I have quoted practice of the State Department and the language of the Office of Inter-American Affairs. This agency and the State Department do the very same thing. I have been quoting from page 10 of the bill providing the language of authorization for the Office of Inter-American Affairs, and describing work of the State Department at the same time.

Now let us read this extraordinary power that you find at the bottom of page 10 of the bill which Congress will grant to the Office of Inter-American Affairs if this appropriation bill passes:

Provided, That corporations heretofore created or caused to be created by the Coordinator of Inter-American Affairs primarily for operation outside the continental United States shall determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid without regard to the provisions of law regulating the expenditure, accounting for and audit of Government funds, and may, in their discretion, employ and fix the compensation of officers and employees outside the continental limits of the United States without regard to the provisions of law applicable to the employment and compensation of officers and employees of the United States.

Now this language was originally adopted when we were in the throes of war and felt pretty desperately, if not a little wild, about having the United States united with the South American and Central American Republics. I certainly join with any Member of the House in urging that we do have such unity. But is it necessary that we give broad grants of power to several agencies to confound and confuse the people of the South and Central American Republics so that no one knows what the policy of the United States is? These corporations who may receive funds herein are entirely and absolutely beyond the control of the Congress of the United States. They are absolutely beyond the control of the Comptroller General of the United States. He never can audit their books. All they are required to do is to make a report to the President of the United States.

A few days ago there was passed in the House a bill for contributions to an autonomous organization, the Inter-American Statistical Institute. The language which I referred to previously in the bill which provides that the Office of Inter-American Affairs may spend money and make "grants of money, property, or services to governmental and public or private nonprofit institutions and facilities in the United States and other American Republics" means we could spend public money with that organization. The original law authorizing the United States Government to make a contribution to and become a member of the Inter-American Statistical Institute contained a ceiling of \$35,000, which we could spend with that particular agency. When the House and Senate passes a bill releasing the ceiling of \$35,000, the Coordinator of the Office of Inter-American Affairs can spend for services with that autonomous organization, controlled by public employees but operated as a sort of clandestine affair, millions of dollars out of this appropriation, with that organization completely beyond the control of the Government of the United States by virtue of this language I have quoted. I point out these things for a purpose. That is, I have looked over the details of some of the expenditures that have been made by the Office of Coordinator of Inter-American Affairs, now the Office of Inter-American Affairs, in the present appropriation. I find some of these projects may be interesting to you, be-

cause I know you do not know how your money is being spent by this outfit.

Following are some of the projects operated and being operated:

DEPARTMENT OF BASIC ECONOMY

Vegetable production in Haiti, project amount, \$3,190.

Development of local resources, Honduras, project amount, \$75,505.

Nurses training school at the British-American Hospital, Lima, Peru, completed, \$30,039.80.

Funds for South American trip of representatives of the Children's Bureau, Department of Labor, project amount, \$1,980.54.

HEALTH AND SANITATION—BASIC ECONOMY

Special edition in Spanish and Portuguese of an American Medical Association magazine, project amount, \$152,000.

Venereal disease control along the United States-Mexican border, project amount, \$102,420.

Training course for Dominican Republic nurse, project amount, \$1,200.

Civilian defense training course for director of civilian defense of Brazil, project amount, \$3,456.85.

Inter-American civilian defense, trip of James Sheppard, project amount, \$496.12.

Visit of United States labor leaders to other American Republics, project amount, \$8,900.

Supervision of health and sanitation programs in connection with the production of lead and zinc ores and concentrates in Bolivia; project amount, \$20,000.

Graduate fellowships in tropical medicine at Tulane University—1943; project amount, \$48,500.

Supervision of health and sanitation programs in connection with the production of zinc concentrates from Volcan mines in Lima, Peru; project amount, \$9,000.

Visit of public health experts to the United States—1943; project amount, \$30,000.

Health and sanitation program, Pan-American Highway-Laboratory unit in Panama for treatment of horse diseases, project amount, \$120,000.

Supervision of health and sanitation program, Compania Minera El Dorado, S. A., Peru, copper ore, project amount, \$4,000.

Bolivian scholarship program, project amount, \$25,000.

Supervision of health and sanitation program, International Balsa Corp., Costa Rica, project amount, \$3,000.

Publication of a Spanish edition of the "Manual of Industrial Hygiene," project amount, \$4,000.

Biostatistical and epidemiological information in the other American Republics, project amount, \$25,000.

Intercounty training program in the other American Republics, project amount, \$50,000.

Social security consultant to Venezuela, project amount, \$800.

Health and sanitation program in the mica mining areas in Brazil, project amount, \$90,000.

Visit of Lucy Lima Rocha to the United States, project amount, \$2,900.

Penicillin to be used in the other American Republics, project amount, \$5,000.

Special training in postgraduate medical field for Dr. Luis Rendon; project amount, \$540.

Medical care for rubber workers in Bolivia in cooperation with the Rubber Development Corporation; project amount \$50,000.

Travel for Stella Decker from Bolivia to the United States for training in nursing; project amount, \$615.

Pathological investigation in Guatemala; project amount, \$13,506.

In-service social work scholarships, 1942-43 funds; project amount, \$12,000.

Institute of Inter-American Affairs training program—health and sanitation; project amount, \$1,818,000.

Institute of Inter-American Affairs Training Program—Food Supply, project amount, \$420,000.

In-service training program for nursing sisters, project amount \$56,750.

Soil and water conservation training facilities, project amount, \$29,000.

Latin-American social work fellowships, extended 1943, project amount, \$25,000.

Intern training program for economists of the other American Republics, project amount, \$52,000.

In-service training program for agricultural economists of the other American Republics, project amount, \$9,150.

Argentine chemical researchers, revised, project amount, \$17,260.

Basic economy motion pictures, project amount, \$500,000.

Films of basic economy, department of operations in Latin America, project amount, \$33,900.

Inter-American institute of agricultural science in Costa Rica, in cooperation with the Pan American Union and the United States Department of Agriculture; project amount, \$960,000.

FOOD SUPPLY DIVISION—HAITI

Distribution of tools and seeds and demonstrations—to put back into food production the lands used for Cryptostegia planting, by furnishing farmers seeds, tools, fruit trees, vegetable plants, and providing technical supervision for individual farmers, and so forth; project amount, \$79,000.

HONDURAS

To increase food production in the Comayagua Valley by reclaiming land and resettling farmers on improved land; project amount, \$125,000.

Food production service center project, to establish an agricultural demonstration and instruction unit near Tegucigalapa; project amount, \$60,000.

Honduras road project, construction and repair; amount spent, \$1,131,214.32. Similar projects in Nicaragua.

PANAMA

Purchase and marketing of surplus vegetables and fruits of the Canal Zone, technical aid to farmers; project amount, \$85,000.

PARAGUAY

In-service training of Paraguayan personnel, agriculture; project amount, \$2,000.

Resources survey, a project to provide a technical basis for planning; project amount, \$105,500.

Seed improvement and crop development, a project to make available adequate supply of high-yielding and dependable seeds for field crops and to propagate and distribute superior orange trees—two small model farms are used for demonstration—project amount, \$120,000.

Milk supply and dairy project—a model dairy, poultry, and hog farm was established to demonstrate improved milk production and distribution methods—project amount, \$73,000.

Supervised credit, to supervise the administration of a credit system, funds to be furnished by the Banco Agricola; project amount, \$4,000.

Range-livestock improvement, Barreiro Ranch, to demonstrate methods of increasing quantity and quality production of beef, improve natural ranges, investigate improved range and management practices, and produce and utilize supplemental feeds; project amount, \$61,000.

PERU

Victory-garden project, Lima, to increase the production of vegetables in the immediate vicinity of Lima; project amount, \$7,172.50.

Transportation survey; completed; project amount not shown.

Callao fisheries project, to determine a definite plan of producing fish for food as well as fertilizer; project amount, \$59,763.98.

There are many other similar projects for Peru.

VENEZUELA

Equipment and supplies, Caracas, to provide funds for the accumulation of equipment to be used on various projects, and to provide for financing, repairs, maintenance, and so forth; project amount, \$300,000.

Home economics training, 6 months' course—Caracas, project amount \$17,528.

Fish distribution, Federal district zone—Caracas—to effect improvement to the catch of fish and in its distribution in the Federal district, project amount, \$41,628.

Tocoron subdivision and reclamation, to subdivide a large Government-owned and operated farm of approximately 5,000 acres into small farms 100-200 acres, and to transfer these units to private ownership, and so forth, project amount, \$93,896.

BRAZIL, LEPROSY-CONTROL PROGRAM

Purchase of a launch for the State of Amazonas, project amount, \$12,500.

Construction of a boys' dormitory in the State of Goiaz, project amount, \$17,500.

Construction of a dispensary in Goiaz, project amount, \$12,500.

Construction of a dispensary in Manaus, project amount, \$10,000.

Construction of a nursery in Vitoria, project amount, \$15,000.

Fellowships and scholarships, project amount, \$20,000.

Construction of nursing school, project amount, \$200,000.

Medical care for migrants—11 projects—project totals, \$263,092.

CHILE

Engineering survey to determine need for a sewage-disposal plant, project amount, \$13,000.

Preparation of architectural plans for typical health centers and tuberculosis hospitals, project amount, \$10,000.

Construction and equipment of school of hygiene to be operated by the University of Chile, projects amount, \$85,000.

Construction and equipment of a health center, public baths, and laundries in Quinta Normal district—Valparaiso—project amount, \$185,000.

Construction of health centers throughout Chile; project amount, \$160,000.

Construction and equipment of a health center at Antofagasta; project amount, \$136,000.

Equipment of Carbineros Hospital; project amount, \$250,000.

Sewerage system and sewage disposal plant for the twin towns of Villa Alemana and Penablanca; project amount, \$125,000.

Sanitary sewerage system—construction of a sewerage system and a treatment plant—at La Calera; project amount, \$175,000.

Construction of a sewerage system at Santiago; project amount, \$400,000.

Construction and equipment of a tuberculosis hospital at Santiago; project amount, \$500,000.

COLOMBIA

Treatment and prevention of yaws, malaria, and intestinal parasites; project amount, \$99,343.84.

National advanced school of nursing; project amount, \$85,959.89.

Health centers and sanitary campaigns in the department of Magdalena—treatment of diseases, including general medical care, venereal diseases, and parasitosis; project amount, \$128,061.65.

New nurses school at Bogota; project amount, \$229,226.36.

ECUADOR

Pavilion, general hospital at Ambato; project amount, \$28,658.75.

Pavilion, general hospital, construction of new wings at Cuenca; project amount, \$73,576.64.

Tuberculosis hospital at Guayaquil; project amount, \$268,875.91.

Infectious disease hospital at Guayaquil; project amount, \$138,722.68.

Maternity hospital at Guayaquil; project amount, \$233,576.58.

Infectious disease at Quito; project amount, \$159,678.46.

Nurses' training school at Quito; project amount, \$114,891.

Health center and dispensary at Quito; project amount, \$163,654.28.

Maternity hospital at Quito; project amount, \$262,485.37.

General hospital at Riobamba; project amount, \$93,484.84.

Health centers at Salinas; project total, \$24,678.

Medical care for rubber workers; project amount, \$124,335.77.

EL SALVADOR

Health center at San Salvador; project amount, \$106,000.

Public laundry at San Salvador; project amount, \$17,000.

Sewerage system at San Miguel; project amount, \$54,650.

Slaughterhouse at Atiquiziaya; project amount, \$2,400.

Slaughterhouse at San Salvador; project amount, \$99,000.

Slaughterhouse at Sonsonate; project amount, \$11,000.

GUATEMALA

Sanitation and malaria control at San Jose; project amount, \$53,557.

Sanitation and malaria control at Puerto Barrios; project amount, \$71,115.

Hospital construction at Guatemala City; project amount, \$500,000.

HAITI

Construction of maternity ward at Aux Cayes; project amount, \$5,000.

Campaign for the eradication of yaws; project amount, \$93,994.

Malaria-control drainage at Port-au-Prince; project amount, \$15,000.

Malaria control drainage in the Bolosse - Palmiete district—Port-au-Prince—project amount, \$10,000.

Construction of health center at Cite Vincent, Port-au-Prince, project amount, \$5,500.

Malaria control drainage, Port-de-Paix, project amount, \$24,357.

Entomological survey, project amount, \$4,449.

HONDURAS

Emergency preventive medicine and sanitation program, Depto, Cortes; project amount, \$17,689.

Public health education training program, countrywide; project amount, \$10,599.

Surface-water drainage system at La Cieba; project amount, \$29,864.

Public Health Department—health center building at Tegucigalpa; project amount, \$146,939.

Tuberculosis hospital, same place; project amount, \$212,500.

MEXICO

Health center at Boca del Rio; project amount, \$59,000.

Health center, C. Juarez; project amount, \$68,000.

Health education, Mexico City; project amount, \$22,000.

Sewerage system at Parras; project amount, \$70,000.

Sewerage system at Tapachula; project amount, \$61,500.

Sewerage system at Actopan; project amount, \$23,000.

Sewerage system at Huiztla; project amount, \$23,000.

Tuberculosis control, United States-Mexican border; project amount, \$48,000.

Venereal-disease control, United States-Mexico; project amount, \$42,000.

Water supply at Perote; project amount, \$35,000.

Water-supply systems—seven towns—project amounts totaling \$411,000.

Water supply system Dr. Miguel Silva, project amount \$11,000. At the docu-

ment's page 60, and in connection with this project there is found this explanatory note under the heading "Statement of performance":

Agreement was signed November 21, 1944, providing for the construction of a water supply system for Dr. Miguel Silva, a new village built for inhabitants evacuated from the area devastated by the eruption of the volcano Paricutin.

NICARAGUA

Construction of national health department building; project amount, \$137,000, at Managua.

Training project for sanitary inspectors, Managua; project amount, \$11,538.

Training of hospital and public-health nurses, and hospital alterations, at Managua; project amount, \$52,648.

Public health nurses' course—hospital alterations; project amount, \$11,246.

Public health nurses' course—operation of school; project amount, \$20,033.

Cauce Oriental, flood control; project amount, \$53,000.

Construction of health centers—five places; project amount, \$93,800.

Operation of national institute of hygiene; project amount, \$9,296.

PANAMA

Malaria control construction; project amount, \$234,459, which is country-wide, and in addition to seven local projects in Panama.

PARAGUAY

Health center and ministry of health building at Asuncion; project amount, \$249,000.

Tuberculosis sanitarium; project amount, \$196,300, at Asuncion.

Sewer construction at Asuncion; project amount, \$100,000.

Health center at Villarica, project amount, \$60,500.

Health center at Concepcion, project amount, \$57,000.

Barrio Obrero health center, project amount, \$49,783.

Scholarships for the training of visitadoras and guardas sanitarios, project amount, \$20,700.

PERU

Dispensary at Caballacocha, project amount, \$11,950.

Dispensary at Barranca; project amount, \$14,803.

Operation of dispensary at Barranca; project amount, \$2,887.

Dispensary at Borja; project amount, \$9,252.

Operation of dispensary at Borja; project amount, \$2,533.

Dispensary at Contamana; project amount, \$12,027.

Operation of dispensary at Contamana; project amount, \$2,831.

Dispensary at Requena; project amount, \$11,719.

Operating it; project amount, \$2,840. Mobile dispensary; project amount, \$7,401.

Operation of mobile dispensary; project amount, \$2,591.

Dispensary at Rioja; project amount, \$12,952.

Dispensary launch at Iquitos; project amount, \$9,252.

Operations of dispensary launch, \$3,779.

Dispensary launch at Iquitos; project amount, \$11,102.

Dispensary launch at Iquitos; project amount, \$3,456.

Dispensary launch, rivers of Peru, \$9,252.

Dispensary launch, rivers of Peru, \$5,397.

Operation of dispensary launch, rivers of Peru; project amount, \$3,594.

Other dispensary launch projects are listed, five additional.

Hospital construction at Tingo Maria; project amount, \$45,273.

Hospital operation at Tingo Maria, project amount, \$10,603.

Hospital with dispensary at Pucallpa, project amount, \$91,750.

Hospital operation at Pucallpa, project amount, \$10,353.

Hospital at Iquitos, project amount, \$185,042.

Alteration and addition to Ministry of Health Building, Lima General, project amount, \$69,390.

Malaria control, Chimbote, project amount, \$87,124.

Health center, Chimbote, project amount, \$77,101.

Sewerage system at Chimbote, project amount, \$92,513.

Health center and hospital, Chimbote, \$101,773.

Health center at Lima, \$123,361.

Hospital at San Martin, \$91,750.

Hospital construction, Yurimaguas, \$91,750.

Jail improvement at Iquitos, \$1,233.

School for sanitarians, Iquitos, \$43,176.

Note: Health and sanitation projects in Peru approximate \$1,449,733.26 in project amounts, with indicated actual expenditures of \$1,096,840.22, with 940 employees.

Note: It is not deemed necessary to enumerate the projects in full, for all countries under any of the several headings.

A few of the health and sanitation projects in the remaining two countries, Uruguay and Venezuela, are mentioned as follows:

URUGUAY

Display of sanitary privy and private water supply models, Rio Negro Depto., project amount, \$4,003.70.

Construction of privies and water supply at Trienta y Trece, project amount, \$7,389.64.

Construction of privies and water supply at Fray Rentos, project amount, \$4,412.78.

Health center at Trienta y Trece, project amount, \$28,043.

Construction of public laundry, at Triente y Trece, project amount, \$6,468.

Nurses' training program at Montevideo, project amount, \$13,065.

VENEZUELA

Malaria control—drainage, at Maracay, project amount, \$227,000.

Malaria control—drainage, at Puerto Cabello, project amount, \$155,000.

Malaria control—drainage, at Maturin, project amount, \$200,000.

Traveling fellowships in South America, instruction of personnel, project amount, \$8,000.

Medical care for rubber workers, Territorios Amazonas, project amount, \$50,000.

Summary showing the number and kinds of projects operated in the Latin-American countries, as shown by the document mentioned hereof:

Other projects operated are as follows:

Project descriptions	Number of projects
Economic development.....	17
Education.....	84
Motion pictures.....	67
Press.....	58
Radio.....	122
United States activities and special services.....	49
Total.....	397

RECAPITULATION

Health and sanitation projects.....	570
Food-supply projects.....	73
Others, as listed last above.....	397

Approximate total of projects... 1,040
PROJECTS DESERVING SPECIAL MENTION

Project No. B-SE-1776, page 82 of the document hereinbefore mentioned, is described as follows:

Prepublication order for 1,000 copies of Who's Who in Latin America, \$7,500; and

To insure the immediate preparation of a completely revised and enlarged edition which will consist of seven volumes. A second supplement has been signed providing for publication of the first volume of the revised edition on or before June 30, 1945, and the remaining volumes as soon thereafter as possible. Professor Hilton, editor, is now at Stanford University and is working at the task of getting biographies ready for press.

Project No. BMP-5-4394, page 94 of the document hereinbefore mentioned, is described as follows:

Purchase of scripts, \$4,500.
Completed: Eighteen scripts were purchased. Eight were written for basic economy film program and will be used for footage shot in Latin America by Carl Pryor. Titles of the other scripts are: Women's Fashions, Adult Education, American Working Girls, Fulton Fish Market, Music on the Air, Small Town, Collins Machete Factory, Little Red School House, Bronx Zoo, and Mosquito Control.

Project No. OEMcr-1-7, page 101 of the document hereinbefore mentioned, is described as follows:

Walt Disney Production Film Unit; project amount, \$500,000; expenses paid, \$531,075.04; expenses unpaid, \$69,016.95.

Statement of performance: Der Fuhrer's Face, Education for Death, Reason and Emotion, Water, Friend or Enemy, Winged Scourge, Grain That Built the Hemisphere, and Defense Against Invasion are now in distribution in the United States and in the other Americas. Amazon Awakens, English print approved July 8. Awaiting distribution prints: Portuguese script approved by State October 16. Food and the Child (formerly Infant Care and Feeding) in preparation. Personal Cleanliness work prints completed and ready for review. Transmission of Disease, English script approved without emendations July 8. Spanish script approved August 29. This subject near completion.

Project No. NDcar-110, page 101 of the document hereinbefore mentioned, is described as follows:

Walt Disney Field Survey and Short Subjects on Latin America, \$220,000.

Saludos Amigos, in distribution, United States theatrically, in other Americas in Spanish and Portuguese nontheatrically. The Pelican and the Snipe, and Pluto and the Armadillo completed for theatrical distribution only. Tres Caballeros completed and delivered in November. The world premiere in Mexico December 21 reported as most brilliant motion picture event in the history of Mexico. Entire proceedings broadcast over a national Mexican chain and transcriptions were made for distributions throughout the other American Republics.

Project No. MP-1017C, page 101 of the document hereinbefore mentioned, is described as follows:

Production of war and educational motion picture, and Uncle Sam, M. D.—Sooting in progress.

Project No. BPR1-5013, page 102 of the document hereinbefore mentioned, is described as follows:

Advisory service on art work, typography, and photographic materials, \$7,500—1945 funds.

Contract covers advisory services on published materials of press. It has been the means of guaranteeing a high-quality product at a minimum expense to the Government, through the application of technique suggested by Lambdin Associates, the contractor. A third supplement will extend the contract through the 1945 fiscal year.

Project No. BPR1-5104, page 102 of the document hereinbefore mentioned, is described as follows:

Maintenance of mailing lists for the magazine, or other publications, and for other incidental charges, \$20,000.

Contract with Business Publishers International Corp. provides for the processing and maintenance of stencils and addressograph plates essential to the successful and efficient distribution of the magazine and other publications.

Project No. BPR1-5048, page 102 of the document hereinbefore mentioned, is described as follows:

Magazine (extended), \$950,000.
This contract with the Business Publishers International Corp. provides for the preparation and printing of En Guardia and Em Guarda, Spanish and Portuguese monthly periodicals, respectively, as well as En Garde, a French quarterly publication. A new contract which will include provisions for trademarking and copyrighting the magazine is in final stages of completion and will supersede OEMcr-288 under which these services have been previously rendered.

Project No. BPR1-5122, page 102 of the document hereinbefore mentioned, is described as follows:

Overseas edition of the New York Times, \$31,000.

The purchase of 6,000 copies per week of the overseas edition of the New York Times is provided for by this project. This number may be increased to 10,000 copies. Distribution is effected by two methods: The purchase of plastic plates for local printing at several points and the purchase of finished copies. The overseas edition has been distributed in the other American republics since the American News Letter was discontinued in August 1943.

Witnesses for the Office of Inter-American Affairs say on the record and they have said in answer to questions by the gentleman from Massachusetts [Mr. WIGGLESWORTH] that they do not overlap any function with the OWI, the State Department, the Army, the Navy, the Foreign Economic Office, formerly lend-lease, but when you go into particular items you find where they are absolutely duplicating the functions that the State Department's cultural relation program exercise.

I now yield to the gentleman from Illinois.

Mr. JOHNSON of Illinois. I just wanted to make this observation: The \$79,000 we are spending in Haiti right now to reclaim the ground we took for Cryptostegia is a total failure. It produces rubber all right, and Cryptostegia grows wild down there, but there was no way to process it. They planted it in that country where it grew in the wild state, but then they gave up the project. Now they are spending this money to put this land back in shape for cultivation, yet it was only wild land to begin with.

Mr. JONES. I thank the gentleman for his observation. You will notice in the compiled list of projects another interesting expenditure costing \$47,628 for fish distribution in the Federal District Zone of Caracas, the purpose being to improve the catch of fish and its distribution in this Federal district of a Latin-American country.

There is an agrarian program in Venezuela to subdivide a large farm of approximately 5,000 acres into small farms of 100 and 200 acres. This project is to cost us \$93,000. Can you tell me the necessity of the United States Government's breaking up big farms into smaller farms in other American countries? I cannot see the justification of it by any stretch of the imagination. I cannot see how it can be classified as a national-defense project.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. ROBSION of Kentucky. Does our Government own the land?

Mr. JONES. No. This land is located in Venezuela.

Mr. ROBSION of Kentucky. By what authority do we divide up the land of other governments? Do we own them or have we the right to make any disposition of them at all? Has any member of the gentleman's committee found out? Has testimony been offered to justify that?

Mr. JONES. I have tried in the last 6 months to knock out on points of order slipshod authorizations which are written by the Bureau of the Budget and to which Congress in the past has given little attention. In the paragraph on the Office of Inter-American Affairs there is unlimited authority, without any accounting to the General Accounting Office, given to corporations beyond the control of Congress under which power the Director may spend money in the Americas, may make grants of property, grants of funds, and do many other things that we do not find out about until years later.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. TABER. Mr. Chairman, I yield the gentleman from Ohio five additional minutes.

Mr. JONES. It is only after the lapse of several years that we learn how the money was spent. I have read portions of a compilation of OIAA projects with a brief description of them. It covers 17 typewritten pages of one project after another in the American Republics. I hope confusion and duplication can be ended by an amendment I propose to offer to bring all these functions under the control of an old-line agency, the State Department.

Mr. ROBSION of Kentucky. What is the aggregate of these sums for these projects?

Mr. JONES. The gentleman from Massachusetts [Mr. WIGGLESWORTH] on yesterday placed in the Record the aggregate of the projects for a 3-month period. It ran to something like \$40,000,000, from October 1, 1944, to December 15, 1944. What the total is I have not discovered in the hearings.

Mr. ROBSION of Kentucky. As one Member of the House, I wish to express my appreciation for the very great industry and effort the gentleman has made to scale down useless Government expenditures.

Mr. JOHNSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. JOHNSON of Illinois. The gentleman has made an intense and careful study of this subject. I wonder if the gentleman can tell the House what department is involved in this exposé that Fulton Lewis, Jr., is making to the country every evening at 7 o'clock of the waste of money in Government contracts in Nicaragua? Under what department is that?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. TABER. It comes under the Public Roads Authority, and apparently it does not seem to smell very sweet.

Mr. JOHNSON of Illinois. It smells very bad.

Mr. JONES. We should get after these expenditures and weigh them against the end and objective. If it takes the Office of War Information, the Army, the Navy, the State Department, and the Office of Inter-American Affairs to sell American friendship to the other American republics surely there must be a definite objective that the United States Government is seeking.

I want you to read what Mr. Harrison has to say on page 499 of the hearings. He is the new Director who succeeds Mr. Nelson Rockefeller and, may I say, by the way, that the new Director, Mr. Harrison, now proposes to draw a \$10,000 salary for his services. Nelson Rockefeller formerly did the job for nothing. You will find at page 9 of the bill that he will get \$10,000—equating a congressional salary for doing the job.

Here are his objectives for the Office of Coordinator of Inter-American Affairs. He is talking about the business private enterprise will get in South America.

See at page 499 of the hearings, as follows:

We want our friends and allies to do business in the other American Republics. The more they do the better for us.

That statement interested me greatly and I called up several Government economists who I presume got their jobs by patronage of the majority party. I read this statement to them and commented: "It sounds crazy to me. Does it make sense to you?" There was not one of them who found it made any sense. If England, Russia, and the Netherlands are able to do more business in South America in competition with our expanded war production machinery it will help the United States, Harrison claims. So our objective, according to Harrison, is not an expanded market for the products of American labor and American enterprise but to help our allies expand their South and Central American market.

Let us refer to something else a moment. We sent our sons overseas to shed their blood and to fight for the liberation of those countries of Europe which were downtrodden and overrun by the Nazi war machine. We gave large lend-lease commitments to Britain, Russia, and the Netherlands. We made enormous commitments of lend-lease to help them out because they were supposed to be broke and could not buy war materials from us.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. JONES. Mr. Chairman, what sense is there in expanding each and every one of these lend-lease credits without any reciprocal commitment from the recipients of lend-lease that they will leave us our share of the markets in the Western Hemisphere? Should we not have had some kind of a commitment, one that would reserve for ourselves a portion of this trade in the American Republics? Instead we furnish more lend-lease, we pay cash for the raw war materials we need to buy, and release a larger block of money for a propaganda program of Russia and Britain because they can have plenty of money left over to do a selling job in South and Central America in competition with us. It is a vicious circle. Then we have to spend more money in the State Department and in this agency I am talking about, the OWI and the FEA to influence friends over and over again for the American people so that they may sell the products of their labor and the products of an expanded war-production machine which will be converted to peace production.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. When we do good we seem to get the worst of it. It is like the boy who received a black eye and when he went home his mother said: "Go and take this piece of cake to the boy who gave you the black eye and make friends with him." The boy went

away and came back with another black eye. The mother asked, "How did this happen?" The boy said that the boy wanted another piece of cake.

Mr. JONES. I insist that the State Department take the entire American Republic foreign relation function over, and it would if it did not have an inferiority complex. There is not a word in this language for OIAA that has been approved by basic law. The functions described are State Department functions; but apparently the State Department, as I stated, has an inferiority complex. Nelson Rockefeller has headed this agency from the beginning; then he went to the State Department, where Mr. Stettinius, the Secretary of State, gave him two bosses among seven assistants. With their present attitude the State Department compares with Snow White and the Seven Dwarfs. I say that it can handle the functions of the OWI and the Office of Coordinator of Inter-American Affairs and all of our relationships to the exclusion of some of these war agencies.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Ohio.

Mrs. BOLTON. Can the gentleman assure the members of the Committee on Foreign Affairs of the House that when the State Department really needs funds to do these things adequately, and some Republicans are worried about the inadequacy of our foreign service, the gentleman will support us in really constructive measures when the State Department wants to do these things that the gentleman feels are not constructive now?

Mr. JONES. I am very glad the gentlewoman asked that question as a member of the Committee on Foreign Affairs, because I have been pleading for three consecutive years to get this matter straightened out. Two years ago the gentlewoman asked me a similar question by saying, "Who approved these funds for the special war agencies that are duplicating the work of the State Department?" At that time I made a statement on the floor of the House that, of course, the request was made by the Bureau of the Budget and the Committee on Appropriations approved it.

The only way that this duplication can be straightened out is for the Committee on Foreign Affairs to hold hearings, to coordinate and to bring under the State Department the exclusive power to represent our country with all foreign nations. The Committee on Foreign Affairs of the House or the Senate has never acceded to my views on the subject. They do not have to, of course, and as long as they do not hold hearings or bring in any bill to straighten out the confusion and the competition, there is nothing that can be done except to go on and handle these requests as the Committee on Appropriations has done.

Mrs. BOLTON. Mr. Chairman, if the gentleman will yield further, may I say that the gentleman has done a very fine piece of work in his analysis of the whole situation. Is not the gentleman aware that the Committee on Foreign Affairs

has justified itself by appointing subcommittees for just this purpose? We felt we were very inadequately set up to do the very best work that could be done to back the State Department in any kind of a foreign service that is adequate to represent a country of the first magnitude in the world. Heretofore it has been very difficult for the State Department to have a real voice here. We hope that we shall be able to make ourselves heard, and I trust most earnestly that the gentleman will listen when we speak.

Mr. JONES. I certainly will listen. I would like to have something to work with and hear something constructive presented by the Committee on Foreign Affairs that will bring the representation of the United States Government into a compact organization of the State Department, and I would like to see the Secretary of State and the Assistant Secretaries of State have confidence in themselves to handle the entire representation of the United States, to head up Commerce and Agriculture instead of having them spread all over the lot.

Mrs. BOLTON. We shall be glad to have the gentleman's help in anything that he might suggest.

Mr. JONES. When we know that requests are being made before another subcommittee of the Committee on Appropriations for these several agencies, naturally we try to hold each one of them down. We did build up and add considerably more to the cost of the State Department. We added considerably more to the appropriation over the previous fiscal year, and on top of that there will be appropriations for OWI, for the Coordinator of Inter-American Affairs, the FEA, and other agencies.

At the proper time I will offer an amendment to strike out all of the Office of Inter-American Affairs, and I shall also present an amendment to the Office of War Information, which reads as follows:

Provided, That none of the funds herein appropriated shall be used to pay the salary or expenses of any employee of the Office of War Information for functions thereof in the Western Hemisphere other than the United States.

The Office of Inter-American Affairs has complete power, as the hearings show, to present radio transcriptions, to write magazine articles, to distribute magazines, to distribute newspapers, to make speeches, to do everything under the sun that the Office of War Information wanted to do in South America, and yet the broad lines of authority of the Office of War Information are not restricted outside of the jurisdiction of the Western Hemisphere. They operate in South and Central America, too. My amendment to the Office of War Information would at least straighten out that confusion and keep the OWI out of the Americas. If my amendment striking out the Office of Inter-American Affairs does not prevail to knock out the Office of Inter-American Affairs and return the functions to the State Department, then, at least, I will offer the OWI amendment so two war agencies, the OWI and OIAA, will not compete in South America.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Pennsylvania.

Mr. RICH. They not only gave all this information there but they did quite a good many things down there to set those people up in business, through the Office of Inter-American Affairs, did they not?

Mr. JONES. They have perfect power to deal and make grants, to make capital grants, to organize and initiate a capital structure in private organizations, I contend, from the authorization in this appropriation bill. There can be fraud and graft from heck to breakfast, and there is nobody to audit the accounts or nobody required to audit them.

Mr. RICH. Who gives them authority to do all this?

Mr. JONES. It is in the language of the appropriation bill that I read earlier in my speech. It appears on pages 10 and 11 and reads as follows:

That corporations heretofore created or caused to be created by the Coordinator of Inter-American Affairs primarily for operation outside the continental United States shall determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid without regard to the provisions of law regulating the expenditure.

What more could a crook want than that kind of authorization with which to deal with any official of the United States Government?

Mr. RICH. The thing to do is to vote for the amendment the gentleman is going to offer; but if the gentleman is unable to carry that, then what is the procedure?

Mr. JONES. The best thing is to try to vote down the bill.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I want to ask the gentleman from Ohio a question, if I may, to get myself straightened out in regard to his proposed amendment. Does the gentleman propose to reduce further the appropriation for OWI for all its foreign work?

Mr. JONES. No. My amendment does not attack at all the amount of \$35,000,000 allowed in this appropriation bill. All it does is limit the functions to functions outside of the Western Hemisphere, where the Office of Inter-American Affairs has concurrent jurisdiction. They are both in it.

Mr. MURDOCK. I thank the gentleman.

I have heard much praise about what work has been done by the OWI abroad during this war. I heard the gentleman say that he felt that a good many of these functions ought to be turned over to the State Department. I am in favor of as much coordination and consolidation as possible, but we ought to hesitate about doing that or closing out OWI too soon. I have a lot of confidence in Elmer Davis and I think the OWI has done a splendid piece of work abroad during the war. The war is not over yet. I am quite anxious that we support OWI adequately.

I am told on reliable authority, and I know it from my own relatives abroad

as well as others, that a great deal of helpful American information is dispersed on the continent of Europe among our allies, impartial and accurate information that ought to be widely scattered by the OWI. It is a kind of advertising of our country and it is a kind of advertising, by the way, that the State Department is not equipped to do and could not appropriately do in peacetime.

Speaking of advertising, every business concern in America does its advertising. I can pick up my magazine and see, for instance, that the Pennsylvania Railroad has its fine pictures and its advertising matter, all of which costs much money, but such expenditure is regarded good business to spread information even before those who already know about it.

I wonder what percentage of people in this section have never heard of the Pennsylvania Railroad. Probably not 5 percent. Yet they advertise and spend a lot of money wisely in advertising. How many people in the Allied countries of Europe know anything like fully what part Uncle Sam has played in this war? Probably not 5 percent know much about America's attitude and action in this war. We have sent 12,000,000 men into uniform and a great number of women. We have footed a large share of the bill. We have lend-leased guns, ammunitions, and matériel of war. We have paid a heavy price in blood and tears.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I cannot yield until I make my point. The point is that we have helped mightily and adequately to win this war. In my opinion, and I am thoroughly convinced, the entrance of the United States in the First World War in 1917 brought victory. Without America the Allies would have been defeated. But how many people in Europe think that? I am thoroughly convinced that the entrance of the United States in this greater conflict has brought victory, and if it had not been for the decisive part played by the United States there would have been no victory for the Allies in this war. Yet how many people in the world know this truth?

Other leading countries are making known to Frenchmen, Dutchmen, Danes, Norwegians, Swedes, and all the rest of conquered Europe what they have done toward liberating them. But they do not know America's part except as we tell them; and we have been telling them though the Office of War Information that American soldiers have fought and died and won many decisive battles.

Yes; we furnished the vast sums of money. They may never pay it back. They may never pay back the debt of the First World War. Well, forget about those debts. But I would like to have the millions of Europe whose hide we saved in 1917 and 1918 not forget about the fact we saved them. All those people ought to know, and OWI is one means we have of letting them know about this war. We should at least get the credit if we do not get a return of the money invested in the victory of 1918 and in the victory of 1945. Unless we do this in a scientific, accurate, tactful way, and extensively, Europe's few leaders will soon forget, because they do not want to re-

member, and the masses of the people will not know that it was our men and our guns that won the victory in 1945. This work of enlightenment is not costing too much if it is done and well done.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

SMALLER WAR PLANTS CORPORATION

Mr. PATMAN. Mr. Chairman, the report of the House Appropriations Committee indicates that the Smaller War Plants Corporation has been recommended for an appropriation of \$7,000,000.

This amount is \$1,000,000 less than the amount recommended by the President as necessary to carry on the operations of the Corporation.

SWPC HAS DONE MUCH WITH A MINIMUM AMOUNT OF MONEY

I believe that it is fitting for me to observe that seldom in the history of the Government has an agency done so much with so little. Last year the appropriation of the Smaller War Plants Corporation was \$10,000,000. Of that amount, and with praiseworthy economy, the Corporation expended about \$8,250,000. And, yet, with this very modest administrative investment the Corporation has protected and aided small business interests in our national economy which have an economic value running into billions.

SWPC WAS CREATED BY CONGRESS AND HAS CARRIED OUT THE WILL OF CONGRESS

The Smaller War Plants Corporation was, and is, a congressional instrumentality. Public Law 603, Seventy-seventh Congress, which created this Corporation, was passed unanimously by both Houses of Congress. The Corporation was the first, and for a long time, the only war agency created by statute.

Congress established the Smaller War Plants Corporation as an agency to ensure maximum protection of the small interests of the Nation and the full mobilization of production resources to aid the war effort. You will recall with me that back in 1942 the small producers of the Nation were largely left out of war production. Procurements were going to large industries. Small business was being squeezed out. At the same time, when we needed every ounce of productive energy, to produce goods for war, small plants were standing idle.

To meet these dangers, SWPC was created. Its record of achievement has fulfilled the objectives we set forth to a degree which has exceeded our expectations.

A REVIEW OF THE RECORD OF SWPC SHOWS PROGRESS ALONG ALL LINES

It is entirely proper that, as we consider the allocation of funds to the Smaller War Plants Corporation for another fiscal year, we review briefly the record of the Corporation and the new program which we in Congress have delegated to the Corporation.

PRIME CONTRACT AWARDS TO SMALL PLANTS WITH THE ASSISTANCE OF SWPC

During the 2½ years of its existence, the Smaller War Plants Corporation has

brought about the awarding of prime contracts to small plants to the sum value of \$3,300,000,000. During 1944 alone \$2,100,000,000 went in prime contract awards to small plants. This represents an increase in Army contracts from an average of 13 percent prior to 1944 to 22 percent in the last 7 months in 1944. In the case of the Navy, prime contracts to small plants arose from 8 to 24 percent. In addition, a great volume of business went to small plants in the form of subcontracts. The Smaller War Plants Corporation has constantly urged that the small plants of the country be given subcontracts.

LOANS

To meet the pressing need of small plants for financial assistance, the Corporation has made over 2,000 loans involving \$270,530,000. These are loans which were originally turned down by banks. In other words, had it not been for the Smaller War Plants Corporation, small plants would not have been able to secure necessary financial assistance with which to fill necessary war contracts. Interestingly enough, the loss on loans to date has not exceeded 1 percent.

The financial program of the Corporation has filled a vital need in our economy. There can be no expansion of small business or participation in war production so long as small producers cannot secure necessary financial assistance. In carrying out this program, the Corporation has at all times urged participation on the part of the banks. The relations of the Corporation with the banks are good. The banks realize that the Smaller War Plants Corporation does not compete with commercial banking but fills a need which otherwise would not be met.

TECHNICAL ADVISORY SERVICE HAS SPEEDED WAR PRODUCTION

Through the Technical Advisory Service of the Smaller War Plants Corporation small producers and manufacturers have been able to secure necessary technical information without which they would not have been able to meet war contracts. During the war over 10,000 requests for assistance have been received by the Smaller War Plants Corporation. These have been met. As a result, small plants of our Nation have more up-to-date processes than before, and, more important, they have made a greater contribution to war production.

SWPC, AN IMPORTANT FACT-FINDING AGENCY

In addition to its basic operating program, the Corporation has created facilities by which up-to-date economic data on small business are available. The Corporation is constantly gathering valuable statistical information which various committees of Congress are making and have made use of. Through this information we are able to understand and evaluate the problems of small business more effectively than ever before.

CONGRESS HAS EXPRESSED CONFIDENCE IN SWPC

The successful war program of the Smaller War Plants Corporation has brought forth many expressions of confidence on the part of Congress.

On the basis of the excellent manner in which the Corporation has fulfilled its basic war objectives, this Congress

has entrusted many new and important responsibilities to the Corporation in connection with reconversion.

In the Contract Settlement Act, Public Law 385, this body charged the Smaller War Plants Corporation with all of the responsibility necessary to protect small concerns in all phases of contract termination.

In Public Law 457, the Surplus Property Act, Congress again gave extremely broad powers to the Corporation in order that small business might have a full opportunity to participate in surplus property markets. Public Law 457 went so far as to give the Corporation the authority to purchase surplus goods for small business if, on investigation, it found that the needs of small business were not being otherwise met.

Again, in the Reconversion and Mobilization Act, Public Law 458, definite reference is made to small business protection.

The intent of Congress as expressed in these laws is clear and unmistakable. As in Public Law 603, this Congress is resolved that the smaller independent interest of America which is the backbone of our free economy, shall be guaranteed such protection as will assure them an opportunity to compete and expand.

LIFE EXTENDED TO DECEMBER 31, 1946

Only recently the life of SWPC was extended to December 31, 1946. This was done only after a thorough examination of the entire operation of the Corporation. Congress through its own creation of the Smaller War Plants Corporation has recognized the need of utmost urgency in the present and future operations of our Government.

ADDITIONAL RESPONSIBILITIES HAVE BEEN ENTRUSTED TO SWPC BY OTHER AGENCIES

Congress has not been alone in reposing great confidence in the work of the Smaller War Plants Corporation.

Several months ago the Veterans' Administration designated the SWPC as agent to handle all loan applications for veterans under the GI bill of rights except those processed through banks. This was a recognition of the financial integrity and good business judgment of the Corporation.

Only last week the Surplus Property Board, by regulation, designated the Smaller War Plants Corporation as the sole agency for the handling of the veterans' program as it relates to purchasing of surplus property. This is a designation of great magnitude. It will place a tremendous burden on the Corporation's facilities. I might add that this designation was not known at the time the House Appropriations Committee held hearings and rendered its report.

We all know how important it is that veterans be given an opportunity to acquire Government surplus when the acquisition is based on a justifiable need. There is absolute unanimity on the part of this Congress and on the part of all American people that the returning veteran be given every opportunity to secure out of the store of surplus materials those items for which he has a need.

The Surplus Property Board has recognized the right of the veteran along these

lines. I will go so far as to say that the Surplus Property Board selected the Smaller War Plants Corporation to administer this program because it felt that this Corporation would administer the veterans program on a sound business-like basis and in keeping with our expressed purpose of helping the veterans.

I would like to call your attention to another point of great significance. We are interested in expansion of small business in America. The veteran represents a great potential reservoir of new small businesses. Naturally the veteran is a potential small businessman and not a large operator. The surplus goods he acquires will be used to establish his own small, independent enterprise. If we can establish thousands upon thousands of these we will not only have kept the faith with the veteran but will have insured a continuing, vigorous, free enterprise economy.

CONGRESS SHOULD PROTECT ITS OWN CREATION

The importance and full contribution of the Smaller War Plants Corporation cannot be measured in terms of dollars and cents alone. During the 2½ years of its existence it has done much to focus attention upon the peculiar problems of small business. In this respect it has again carried out the will and mandate of Congress, as expressed through the Small Business Committees of both Houses.

At this point I would like to say that the Corporation, through its Chairman and Board of Directors, has, at all times, worked in absolute harmony and cooperation with the House Select Committee on Small Business of which I am chairman. This I know has been true also of its relation with the Senate Small Business Committee. I have, at all times, found it willing to follow any suggestions which have been made. In short, we have worked together for a common purpose—the preservation of true small-business opportunity in America.

It is difficult to evaluate specifically the part which the Corporation will play—by specific mandate of Congress—in the basic reconversion programs. But that part will not be a small one because of the action of Congress itself. On every hand Congress has turned to the Smaller War Plants Corporation as an agency through which the will of Congress can be translated into action. Judging from the past performance of the Corporation, it is my opinion that this agency which we have created will continue to merit the confidence of Congress.

Always, of course, our first objective is to win the war. And, in this respect, I am convinced that the end of the European war was hastened by the effect mobilization of small-business production resources. Likewise, the continued contribution of small producers throughout the Nation will speed the day of final victory over Japan.

As chairman of the House Select Committee on Small Business and as an American citizen, I believe that the preservation of small-business interests are directly related to and a part of the preservation of the free-enterprise system in America. We, the Members of Congress, created the Smaller War

Plants Corporation and as long as that Corporation fulfills the purposes for which it was created, it becomes our duty to afford it encouragement and financial facilities with which to do the job we have laid out.

In view of the greatly expanded program which lies ahead, growing out of the Surplus War Property Board regulation, and the various measures of Congress, I do not feel that the Corporation can operate successfully on an appropriation of \$7,000,000. Again, I would remind you that the record of the Corporation is evidence of the fact that the organization has, and will, continue to operate with a minimum of expenditure. It has demonstrated economy in its operations during the past year. I have every confidence that such economy will be continued during the coming year.

Let us not be unmindful, therefore, that during a period in which appropriations have been made by the billions that this agency with a few million dollars allocated from its capital stock has given us a record of performance not excelled by any other agency of government. It is a record of performance in behalf of an object in which we all believe—the preservation and protection of the rights of small business throughout America.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. PATTERSON].

INTERNATIONAL IMPLICATIONS

Mr. PATTERSON. Mr. Chairman, the struggle for world peace is not only taking place on the international level. The domestic policies of our Nation and the other major powers compose, in part, the stuff of which permanent peace is made. Good intentions alone, without appreciation of the basic problems which must be solved before world harmony is achieved, are not enough. Domestic unrest and internal strife are sufficient in themselves, and quite apart from economic and ideological differences between nations, to generate the spark that may again engulf the globe in flames.

Among the more crucial of these home-front problems are the threat of widespread unemployment and the accidental or deliberate accentuation of racial and religious cleavages. Full employment and fair employment are vital to peace. Both are necessary unless the Nation is to be divided and the unity so painstakingly built during the war years is to be shattered.

The United States constitutes an experimental laboratory made to order for statesmen and political scientists. Every racial and religious group is represented, as is every shade of political and economic opinion. How can we expect to assume world leadership and direct the energies of the millions that constitute the United Nations into constructive channels, if we fail at home? How can the people of China and the Philippine Islands retain confidence in American ideals and objectives if our bad faith is illustrated by our cavalier treatment of our own dark-skinned citizens? How

can we strive for world unity if, at home, we pursue policies that result in irreconcilable divisions?

At San Francisco, our delegates are laboring to erect a structure in which to house a covenant of permanent peace. The action of the House Appropriations Committee in removing the FEPC appropriation from the national war agencies bill of 1946 at this time is tantamount to driving a nail into the coffin of those ambitions. It is hard to believe that the Appropriations Committee could not have known what it was doing—could not have suspected the effect of this action on colonial peoples everywhere. At best, the action was thoughtless and misguided. At worst, it was a direct slap in the face of those people who had every right to expect, from our utterances and political direction, much more in terms of sympathetic aid and assistance. Some have felt justification in labeling this action as a deliberate sabotage of the people's efforts to eliminate force as an instrument of settling international disputes and I am not entirely certain that this conclusion is erroneous.

Fortunately, it is not too late to remedy this disaffection. The FEPC must continue, preferably as a permanent arm of the Government, but certainly as an instrumentality for assuring fair and impartial economic treatment to all persons, during the reconversion period, without regard to race, creed, color, or national origin. Unless affirmative action is taken promptly, minority groups will know that their Government has washed its hands of the entire matter. I am not willing to predict the consequences, at home and abroad, of our failure to protect our loyal minority group citizens.

Continue the FEPC. In no other way can we repair the damage that has already been done. In no other way can we contribute so constructively to the perpetuation of good will at home and among nations.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Chairman, every bill that passes this House, not only directly affects the men, women, and children of this country, but also directly affects the men, women, and children of the world. It is hard to remember, but it is nevertheless true that our words and attitudes and actions are building daily the kind of world we will live in in the future.

The dropping of the FEPC from this bill for a variety of reasons not only is an injustice to the minority citizens of this democracy, but it is an injustice to all other Americans who are not members of minority groups.

It is an injustice because we must all share the blame of refusing equality of opportunity to minority groups. Failure at this time to provide for the Fair Employment Practice Commission does more than dirty the hem of our democracy. It casts doubt in the minds of all the colored peoples of the earth who are, incidentally, in the great majority, as to the quality of our democracy. It raises the question among the colonial peoples

of the earth, most of whom are colored, as to whether or not we are really their friends, whether or not we will ever understand their longing and right for self-determination.

Just as a person is known for certain qualities, certain principles, just as a person is identified with certain ideals, which are built up over a period of time, so a nation is known for her qualities.

And just as an individual can build for himself prestige in a community, so a nation in the community of nations establishes confidence, attains stature and prestige and thereby gains leadership or loses the confidence of other peoples and thereby loses her place of leadership among the nations.

The action taken at this time in relation to the Fair Employment Practice Commission will be known around the world, and to the degree to which we have broken faith, we will have lost leadership.

If you think I am exaggerating, talk to those who have come back from the Far East and hear what they have to say.

If we would retain the leadership which is rightfully ours in the world, we must show respect for the other nations of the world and all their peoples. We begin at home to show this respect by our attitudes toward individuals in minority groups—not merely by talking about the ideals of democracy.

Of course, if we wish to abdicate a position of leadership, that is all well and good. But let us not complain then if some other nation takes our rightful place in the future.

And if this were not true about the effect of our failure to live up to what we say we believe in upon world opinion, it is still true that we have a democratic tradition to fulfill for our people here at home.

This House has more than once vindicated the most implicit principle of democracy that men are created equal in their rights under the law.

The right to work is most vital to us today. The Fair Employment Practice Commission is no more than an effort to recognize this right and to give it that substantial effectiveness which alone makes laws a valid method of implementing democracy.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have listened to a number of speeches with respect to the FEPC, including the speech just made by the distinguished gentleman from California. All of these speeches belabor someone for not bringing FEPC before the Congress, and it is stated that unless the FEPC bill is passed the United States is going to lose its leadership. I do not quarrel with that statement, but why not be perfectly fair and frank with the people of America and these so-called minority groups that the New Deal has for years catered to in order to obtain their vote?

Why not put the responsibility for failure to bring in the FEPC right where it is? The New Deal has the votes. The New Deal Democratic Party has the votes—an overwhelming number of votes—and if you want to have the

FEPC here, you have the votes to bring it here. Why do you not tell the people of this country and point out that a Republican assembly and legislature in New York, under the guidance and direction of a Republican Governor, kept its promise with those minority groups and wrote into the statute law of the State of New York an FEPC law, which Governor Dewey signed? Why did you make political capital last November in making your appeal to the minority groups to support your party? Now you are up here, person after person, complaining and crying because you cannot get the bill before the Congress for consideration. The responsibility lies, if it lies any place, in the hands of the administration that controls the committees of this Congress and says which legislation shall be permitted to come before the Congress. The Rules Committee is comprised of 12 members—8 of them are Democrats and 4 are Republicans. With this great control of the Rules Committee, why do you not keep your promises to the minority groups in the same manner as Governor Dewey did in New York? You have the votes; and if you fail now, you are again demonstrating that the promise you made last fall was mere campaign oratory.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota, [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, there is only one reason that the FEPC is not in this bill, and this talk about the Committee on Appropriations taking it from the bill is more or less beside the point. The one reason that the FEPC is not in this bill is that a legislative bill to create an authorization for the FEPC has been denied a rule by the Committee on Rules. Had the Committee on Rules reported a rule, then the committee would have considered an appropriation here. For a somewhat similar reason an appropriation for the OPA is not in this bill. A bill to extend the life of the OPA is pending in the other body, and the committee took the position that since a point of order would lie against the OPA appropriation or the FEPC appropriation, and since the question of a rule was not settled on either of these propositions, it would be a perfectly fruitless and futile thing for us to put these items in the bill. A point of order would have been sustained against it, and had the FEPC been in here on the basis of the refusal previously given, a rule could not have been obtained for this bill.

Mr. D'ALESSANDRO. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Maryland.

Mr. D'ALESSANDRO. Is it not a fact that two attempts were made in committee to restore the appropriation for OPA; one by the majority party and one by the minority party?

Mr. CASE of South Dakota. For OPA? Mr. D'ALESSANDRO. For FEPC.

Mr. CASE of South Dakota. For FEPC. The question was brought up and was considered but it was pointed out that it would be subject to a point of order and would be a perfectly futile thing to do.

Mr. D'ALESSANDRO. That is correct. Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I fail to follow the philosophy of the Committee on Appropriations or the Committee on Rules. We bring a rule in here to make in order a whole lot of legislation in this appropriation bill apparently on the ground that there is no bill pending even to suggest such legislation, but omit FEPC as a war agency merely because legislation is pending to make it a postwar agency.

Mr. CASE of South Dakota. But let me point out to the gentleman from Ohio that on none of the things in this bill have the Committee on Rules declined to give a rule, whereas the Committee on Rules had declined to give a rule on the FEPC, so it was obvious that if we put the FEPC item in here we would not get a rule for the consideration of the balance of the bill.

Mr. VORYS of Ohio. Would the gentleman permit me to finish my question? Is it to be the position of the Committee on Appropriations and the Committee on Rules that at any time a bill is pending on a legislative matter they will not give a rule permitting legislation on an appropriation bill? Because if that were the position, then all of this legislation on appropriation bills could be stopped by introducing bills to cover those legislative subjects. I do not quite follow the philosophy.

Mr. CASE of South Dakota. No; not by simply introducing a bill. The gentleman overlooks the fact that in this instance, the Committee on Labor had considered and reported the bill. If another bill were to be reported by a committee of the House and then were to be refused a rule by the Committee on Rules, as the FEPC bill has, the committee might take the same position. I do not know; but that would be a logical position. No general rule was adopted, but in this instance we had a definite situation where the FEPC bill, it was known, had been before the Committee on Rules for many days, and the rule had been considered and had not been reported out.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Michigan.

Mr. MICHENER. The FEPC bill is before the Committee on Rules. It has been there for a long time. Some of us are ready to vote for it. I understand that the chairman of the committee has announced that on Tuesday next there will be a vote, rain or shine. I hope that is true. I am sorry this is getting into politics, but let us remember that the only political committee in the House is the Committee on Rules. That is the only committee in the House that has twice as many members of the Democratic Party as it has of the Republican Party. It would seem strange that our friends of the minority who are now complaining could not muster up at least three votes out of the eight in their political party, in order to report out the FEPC bill.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. May I say in answer to the gentleman that it is a very great pity that the Committee on Rules is composed mostly of Democratic members from one part of the country. I am very sorry that that is true. They are not representative of the Democratic Party as a whole. That being the case, unfortunately, we must depend upon you Republicans to help report a rule on FEPC to get the bill before the House.

Mr. MICHENER. The Democratic Party placed those members on the Rules Committee. It was a Democratic Party action. Please do not accuse the Republicans now. We have been criticized enough, God knows, without being accused of setting up the majority committees, which are to carry out your policies.

Mrs. NORTON. I am not accusing the Republicans of anything of the kind. I know you had nothing to do with selecting members to the Rules Committee. Neither did I.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Georgia.

Mr. COX. I should like to make the observation that there are those on the Committee on Rules who believe that the most dangerous thing that can happen to our society is to have class become a political problem and be dealt with as a political question. Marxism, not Christianity, not Americanism, has made a dogma out of the class struggle. I happen to be one member of the Committee on Rules, to whom reference has been made, who refuses to write Marxism into our institutions by legislating upon the question of class.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I must decline to yield any further. I really had intended to talk about the bill. We have talked about an item that is not in the bill, or at least those to whom I have yielded have talked about it. It is not in there for the simple reason that a rule was not granted covering it, and we did not want to endanger the balance of the bill.

This bill deals with the national war agencies, most of which have been set up by Executive order. Because of that fact most of them are without legislative authority. They are not permanent agencies; they are temporary wartime agencies. They represent the marshaling of the Nation behind the Army and the Navy for the prosecution of the war.

The gentleman from Texas who spoke a few moments ago referred to the place occupied by the Smaller War Plants Corporation. He spoke of it as an aid to little business. I call the attention of the committee to the fact that in the hearings the head of the Smaller War Plants Corporation repeatedly told us about the great future he saw for his agency; in fact, at one point he stated that he would like to see the name

changed to the Small Business Corporation.

I call that to your attention because in the case of practically all of these agencies some attempt will be made to carry these wartime activities over into peacetime.

In the case of the Smaller War Plants Corporation the Director was very frank. He told us he thought he ought to have his agency's name changed so he would not be identified purely with the war.

Mr. Chairman, I dislike to yield further; I had hoped to go into a little discussion of some of these agencies because these agencies are the ones which have been causing headaches for Members of Congress. These are the agencies that have put on the wartime restrictions: The War Production Board; the Office of Price Administration, on which we had hearings, although there was no appropriation included in the bill for that because of the pendency of the extension act; the Office of War Information; the War Mobilization and Reconversion Office; the War Labor Board; the Economic Stabilization Office; the Office of Defense Transportation. These are agencies which have been putting restrictions upon the activities of citizens during the time of war.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Of course, I yield to the genial gentleman from Minnesota.

Mr. PITTENGER. The gentleman mentioned the OPA a while ago. I wonder if the OPA appropriation is in this bill. I do not think it is.

Mr. CASE of South Dakota. The OPA appropriation is not in this bill. During the hearings on this bill we had hearings on the OPA estimates but the pendency of the extension bill in the other body, as I have previously said, is the reason for its not being included here. When the fate of pending amendments to the extension act are known then we can act on the appropriations needed intelligently.

As it was it was something of a problem to make appropriations for the activities here presented. For example, there was the Surplus Property Board which came before us, not knowing what they were going to set up, and answering questions in the vaguest sort of fashion. In fact, the head of the Surplus Property Board said some people have said the act is not workable in its present form. At one point the gentleman from Illinois interrogated the man who was representing the Department of Agriculture about the plan for the disposal of surplus food and asked what the basis was for the estimate. The gentleman from Illinois asked:

Just how was that estimate of \$10,800,000 contrived?

The answer given by Mr. Meeker was:

As we explained previously, Mr. DIRKSEN, the estimates from the owning agencies, the agencies who are declaring food surplus to War Food for disposal, were not at all satisfactory. In the final analysis, we had to make the best estimate we could with the information at hand, which was inadequate.

The gentleman from Illinois [Mr. DRICKSEN] answered:

Of course, that is no answer at all. I am not being supercritical, but it is one thing to reach out in the air and grab a figure and another thing to have a basis for it.

Now, Mr. Chairman, realizing that my time is short and at the point of expiration, I shall merely say that remarks which I had hoped to make on the Office of War Information, War Shipping Administration, the Office of Scientific Research and Development, the Surplus Property Board, and the Smaller War Plants Corporation, will be made at a later date.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, we find the House of Representatives placed in a position where it is powerless and deprived of any opportunity to pass upon a most important question, and that is, on the appropriation for the FEPC agency. Despite the fact that the President of the United States has recommended favorable action on this matter, the House cannot vote on it. It cannot vote on it for two reasons: first, because the Committee on Appropriations refused to appropriate for this agency, and second, because the Committee on Rules refused to grant a rule which would have made an amendment appropriating for this agency in order. That is not only strange, it is tragic. I believe and submit that both the Committee on Appropriations and the Committee on Rules have to take the responsibility for the calamity which will ensue as the result of this agency going out of existence. I hope the Senate of the United States upholds the best democratic traditions of this country by restoring this appropriation.

I want to deal a minute with this grand mystery, mystery No. 1 of the year, the great detective story "Who killed FEPC?" I think we should know who used the dagger; we should know who slipped in the poison. We should know who is the undertaker and who is the embalmer. We have been seeing the buck passed, the Alphonse and Gaston act, "I didn't do it. You did it. We Republicans did not do it. You Democrats did it." Let us get the facts. I think the country ought to know the facts.

For the past week the Rules Committee has been lined up 6 to 5, 6 for FEPC and 5 against. If the Republicans stood by what they said they would do, to support the rule for a permanent FEPC, that would have given us 4 votes for it on the Republican side, and there were 2 Democratic votes for it. Why was no vote taken? What was the jockeying behind closed doors? Why did the committee fail to vote when there was a majority for FEPC? There are members of the Rules Committee present on the floor and if what I say is not accurate I shall yield to them for correction.

First of all, it is charged that there was an agreement not to have any vote until the gentleman from Missouri [Mr.

SLAUGHTER], who is the twelfth member of this committee of twelve and who has been away, returned. If that is true, then I say that was a deal against the interests of the country. I say that those who are in favor of permanent FEPC legislation should never have made that deal. You cannot get away with it before the country. Why is it that that committee did not have a quorum? Why did men who were supposed to favor FEPC stay away from committee meetings when the chairman was seeking to obtain a vote? I am not worried about the enemies of FEPC. I am worried about the so-called friends of FEPC. You can be somebody's friend in a certain way as to aid and abet his killer. This kind of friendship, professed friendship, has brought us to the stage where FEPC is being murdered. So you now finally announce that you are going to vote on Tuesday. What a great favor! You reached an agreement to hold a vote on Tuesday in that committee, a sacred agreement, which is not going to be broken. Let us see what that is going to do for FEPC rule. If the gentleman from Missouri [Mr. SLAUGHTER], returns on Tuesday and if he should cast his vote against the FEPC rule, that will make the vote 6 to 6, and the rule for FEPC will fall.

The country ought to know about this jockeying. I can have respect for a man who stands up on the floor of this House or in committee and says, "I am opposed to FEPC and I will vote against it." I disagree with him but I at least respect him for having the courage of his convictions. But this business of playing this sly game behind closed doors, of making a deal not to vote until you are sure to have enough votes to kill the rule, that kind of business is not in keeping with square and fair dealing that the American people require on this most important question.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman one additional minute.

Mr. MARCANTONIO. I have stated these facts, not being a member of that committee, but these are the facts. No one contradicts them. I want the people of this country to know what has happened so that when Tuesday comes along and the rule is not reported, nobody can start playing once again the Alphonse and Gaston act and say, "No; I did not do it. You did it." And the other fellow says, "No; I did not do it. You did it." We might as well let the people have the whole story. It is one of double-crossing and double-dealing from beginning to end.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. GAVIN].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 8 minutes.

Mr. GAVIN. Mr. Chairman, I regret that more Members were not present today when the able gentleman from New York [Mr. TABER] discussed the OWI.

In the name of common sense it is about time this Congress becomes practical. Let us take a realistic view of matters in an honest and sincere way. Two and two still make four, and this orgy of spending of the public's money on nonessential and unnecessary governmental agencies must cease unless we want to throw this Nation into bankruptcy.

As far as OWI is concerned, I want to state honestly and sincerely that I have no faith in the work the OWI is doing. Nobody knows much about it, and you cannot find out much information about it. It is a hodgepodge of individuals from all over the world, thrown together with a lot of world ideas and dreams that may eventually cause more consternation than good.

I am suspicious of the whole outfit. I do not believe in its work, and I will feel much easier, as will the American people, when this outfit is out of business.

To spend \$35,000,000 on the OWI at this time is an insult to the intelligence of every man and woman who wears a uniform. If I were convinced that this agency would bring this war to an end one split second sooner, I would increase the appropriation a thousandfold. But I have convinced myself, honestly and sincerely, that it is useless. It has degenerated into a haven for worn-out writers and propagandists and is a refuge for an element seeking soft berths during this war period.

A local paper stated:

On May 1 OWI had 9,385 people on its pay roll—in this country, 4,023; elsewhere throughout the world, 1,661 sent from the United States and 3,701 hired abroad. Since then it has been recruiting.

Some OWI employees are able and well meaning. Many are crackpots, professional do-gooders, and persons making the most of a chance to spread at public expense strange propaganda which would surprise and displease the American people if they knew all that goes on.

Now, I am asking you, Why do we have to have 3,701 foreigners on the OWI pay roll? What is the trouble with some sound, clear thinking Americans? I would like to know how many Americans are on the pay roll of British war information; and how many Americans are on the pay roll of French war information; and how many Americans Joe Stalin has dishing out propaganda to the Russians? Well, you know the answer, and it is unnecessary for me to dwell on that score any longer.

If the Members of Congress were back home talking with the people of their districts asking them what they thought about spending \$35,000,000 for OWI, I am of the opinion they would find they would be definitely opposed to any further spending for this agency. And you are going to be on record today for approving or disapproving this agency.

Now a million dollars is a thousand thousand dollars and we are asked to spend thirty-five thousand thousand dollars to continue this agency of the Government which has outlived its period of usefulness.

If all the servicemen of each Member's district were in the gallery listening to this debate I wonder how many of the

Members would vote a \$42,000,000 appropriation.

The amendment which will be offered will give them enough to carry over in the Pacific and then liquidate the outfit, write the whole thing off, call it a day. To me OWI is a great mental disturbance and I will feel greatly relieved when these 3,701 foreigners are off our pay roll.

Who is going to pay this bill? If the appropriation requested is approved today, the boys who are over there doing the fighting now will have to come home, find a job, take off their coats and go to work to pay the taxes to pay this \$42,000,000 which is absolutely unnecessary.

The American press in this country is doing a great job and the news of the country, and the news of the world, has been handed to the American people in a thorough, informative, speedy and efficient way. When you want war information or any other information you read the papers, not OWI hand-outs.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. GROSS. In all the material that they have put out all over the world, which we know is a great deal, does Uncle Sam ever appear anywhere in it? Uncle Sam seems to be unknown to OWI.

He, after all, used to be a familiar figure that inspired us. Now, it is one or two men who are publicized throughout the world. Why should not Uncle Sam be publicized?

Mr. GAVIN. I thank the gentleman for his contribution.

If the OWI handled all the news, they might have thought it inadvisable to tell us that the war in Europe was over.

I know a lot of Members who have become global minded, and they have talked with OWI representatives at home and around the world, and they will say they have done a good job—and some will say "Well what are you going to offer us to take its place?" However, I say that we have no further need for the OWI; and that the War Department, the Navy Department, the State Department and the domestic branches of the Government can handle the situation in a very thorough and businesslike manner.

The type of service that the OWI is rendering the country was indicated in the recent program developed for occupied Germany by Dr. Elmer Holmes Davis, Director of War Information, which met, not alone with the disapproval of the Chiefs of Staff but also President Truman vetoed the program that they had intended to carry on in war-torn countries of Europe.

The President has been sending over letters lately approving legislation which he believes is necessary and essential, but I want to state to the Members that I am of the opinion that you will not hear the Speaker take the floor today to read any letter from the President putting his endorsement on the OWI.

As far as expenditures are concerned we all go along gladly on war expenditures; and if it took every dime we had as a contribution to this war effort, everyone of our millions of people in the Nation would gladly give it to bring about a speedy and total victory in our war effort.

There is not a Member of this House who, if you ask him just what the OWI has done as a contribution to the war effort, would give you any definite information of any consequence. The only thing I know about it is that they dropped leaflets, which was the principal argument for their existence last year, and I understand that they carried on some propaganda and musical programs and psychological stuff throughout the world. But the war in Europe is now over, and we are turning in a magnificent performance in the South Pacific, and this is pretty much without the OWI. Every time one of these agencies of Government is started an attempt is then made to perpetuate it and keep a lot of so-called brilliant minds on the pay roll when they ought to be out looking for jobs and doing something constructive in the war effort. Uncle Sam has been very generous, but the time has come when we must recognize that though he is presumed to be the rich uncle, he is not rich enough to keep on spending and spending indefinitely unless we want to throw this country into bankruptcy. Somebody must pay the bill, and the only ones I know who will pay the bill are the eight or nine million boys in the service who will return home and pay the bill. They not alone have to fight the war, but they have to pay for it.

I feel certain that the American people will applaud the action of Congress in erasing for all time the OWI, and it will bolster their morale if they know we have the courage to stand up and eliminate these unnecessary appropriations to continue war agencies that are of no value to the war effort.

I agree with what has been said here today and if we want to indicate to the American public that we are looking after their interests we will slash this item without much debate.

As far as I am concerned, what has happened is water over the dam; write it off and take the loss and forget about it. But to put many millions more on the barrel head and keep up this agency is just throwing good money after bad. There is nothing to be gained and I cannot see any good that the OWI can do over the months that lie ahead.

Let us stand up like good Americans with the courage and intestinal fortitude to get rid of some of these unnecessary wartime agencies. I want to state that if we put this matter up to a lot of returning servicemen and ask them what they think about spending \$35,000,000 for OWI, I know what they would tell you and tell you in no uncertain terms.

This is a great opportunity to bolster the morale of the American people by Congress reasserting itself and looking after the public interest and welfare of the American serviceman and taxpayers. Let us not be swayed by a lot of catalog appeals, all of which we have heard over and over again. Thirty days from now this agency like the National Youth Administration will never be missed—never be missed. This OWI outfit will be something to be remembered but not talked about. The amendment that will be offered should be adopted to give them enough to liquidate and go out of busi-

ness, and I trust the Members will vote for its passage.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE FOR EMERGENCY MANAGEMENT
National War Labor Board

Salaries and expenses: For all necessary expenses of the National War Labor Board, including salaries at not to exceed \$10,000 per annum each for the four public members and not to exceed \$9,000 per annum each for the four alternate public members, of the Board; travel expenses (not to exceed \$720,000), including travel of new appointees and transportation of their immediate families in accordance with regulations prescribed by the President, and expenses of transportation of household goods and personal effects in accordance with the act of October 10, 1940 (5 U. S. C. 73c-1), from the places of their actual residence at the time of appointment to places of employment outside continental United States, and for such expenses on return of civilian officers and employees from their posts of duty outside continental United States to the places of their actual residence at time of assignment to duty outside the United States; not to exceed \$45,000 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944 (Public Law 364); printing and binding (not to exceed \$30,000); payment at the rates not in excess of those fixed by law for witnesses attending in United States courts (28 U. S. C. 600c), of fees, mileage, and subsistence of witnesses appearing at hearings held by the National War Labor Board or its agents in connection with the performance of its functions, which payment of fees, mileage, and subsistence shall be subject to certification by the Chairman of the Board, or his designee, as to the necessity therefor; actual transportation and other necessary expenses, and not to exceed \$25 per diem in lieu of subsistence, whether or not in a travel status, of other members, alternate members, and associate members of the Board while serving as such without other compensation from the United States; \$13,320,000: *Provided*, That those provisions of section 201 of the Independent Offices Appropriation Act, 1946, making appropriations available for travel and subsistence of persons employed or serving intermittently or without other compensation while away from their homes or regular places of business shall apply to public, labor, or industry members of the regional boards, committees, commissions, or panels, or public hearings officers of the National War Labor Board, whether employed intermittently or indefinitely, and the term "consultants" as used in section 201, National War Agencies Appropriation Act, 1945, and title I, under the head "Office for Emergency Management First Deficiency Appropriation Act, 1943," and paragraph (a), general provisions, National War Agencies Appropriation Act, 1944, shall be constructed to include such persons. None of the persons receiving compensation on a per diem when actually-employed basis and employed intermittently or indefinitely shall be entitled to any of the benefits of the Sick Leave Act of March 14, 1936 (49 Stat. 1162), or of the Annual Leave Act of March 14, 1936 (49 Stat. 1161), as amended, or of any other provisions of law pertaining to sick or annual leave.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 4, line 1, after the word "persons", strike out the period, and insert a colon, and the following: "*Provided further*, That no part of the funds appropriated in this paragraph shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in

part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code."

Mr. KEEFE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty members are present, a quorum.

Mr. LEA. Mr. Chairman, the object of this amendment is to put a restriction upon the use of funds appropriated by this section for the National War Labor Board with reference to bargaining and compulsory contracts as affecting agricultural labor. Agricultural labor was exempted by the National Labor Relations Act. But we found shortly after that act went into effect little respect was paid to that exception which Congress intended should be provided for labor on the farm.

There is a clear distinction between industrial labor and agricultural labor as to the practical application of bargaining practices. Congress has been pretty clear in its purpose to recognize the distinction between these two classes of labor. In two or three acts Congress defined agricultural labor very definitely. Once in the Social Security Act and also in the Internal Revenue Act. The proposal here is that the National War Labor Board shall be limited by the definition as we have it in the Social Security Act and in the Internal Revenue Act. The definition in the Social Security Act is a masterful piece of legislation. It was written with a clear, truthful, and practical understanding of modern agriculture. That cannot be said of another definition supplied by administrative agencies which have attempted to destroy the exemption that Congress intended.

After these laws were passed regulations were adopted which attempted to ignore the definitions approved by Congress. In effect, this was done by these agencies writing their own definitions. The result is that we have had, by these laws and regulations written under them, nine different definitions of agricultural labor, to the great harassment of the farmer. In some instances and in important respects, the farmer, to comply with one regulation, would be compelled to violate another.

Agriculture cannot comply with regulations which may be livable for industry. Right now, in the face of highly competitive conditions, which assure good wages for farm labor, and in the face of the most urgent demand of our history for food production, the War Labor Board is responsible for practices that greatly handicap the farmer in his efforts to produce food.

The most oppressive attitude toward the farmer is in reference to the production of perishable products—fruits and vegetables. When the peaches are on the tree and ripe there is no time for delay, for harassment, or for contracts to be made by the War Labor Board here in Washington, setting aside collective

bargaining as to the farmer's relations with the laboring people.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is there any more reason why they should interfere with the farmers when they want to pick their peaches than they should interfere with industry when industry wants to make munitions for carrying on the war?

Mr. LEA. I will not say there is, as a matter of principle. There is a great difference as to the effect on the employer. Fresh fruit and vegetables, if not handled in the hour, are lost. Not so with woods, metals, fibers, and grains that have more lasting qualities. Under the War Labor Board, the right of collective bargaining has in substance been denied. There has been the form but not the substance of collective bargaining.

Mr. RICH. That is the point I want to make. Why is it that we should deny agriculture the benefits, if there are benefits, derived from having labor unions? Why is it that agricultural labor should be denied the benefits of all the legislation we have passed in the last few years?

Mr. LEA. Of course, legislation should have regard to fairness on both sides. The situation of the farmer with his perishable products is different from that of the industrialist dealing with articles that are not so perishable. Fundamentally, on the abstract proposal, I agree with the gentleman. Through indifference, overzeal, or lack of impartial fairness, the War Labor Board has suffered its agents to be partisan crusaders without that fairness that should characterize every activity of the Government to its citizens.

Mr. RICH. I agree on the fact that fruit will spoil and rot on the trees, but on the other hand, if we are having strikes in industry today when we are trying to prosecute the war, then we are doing injury in both instances.

Mr. LEA. That is true, but I stand on the proposition we are here dealing with at this time.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEA. The War Labor Board has at times recklessly waved aside those wholesome procedures for just administration and rushed into the hour when I can tell the farmer what kind of a contract he must sign. If their power were exercised fairly, with a judicial temperament, with intent to do justice to both sides, I would find no fault. I would approve such action as justified by the need of supporting the war. But I believe the truth was established here in a committee of Congress recently, that the War Labor Board in ordering these farmers as to what kind of contracts they must sign, was acting in disregard of

essentials to justify their orders in two very important respects. In every true sense the farmer was denied the right to collective bargaining. There was only a semblance of protecting that right. It developed in testimony adduced the other day by a committee of this House that out in our State, and the same is probably true in other States, that the War Labor Board acted on perjured testimony as a basis for assuming jurisdiction to order the farmers to sign these contracts. The testimony also tended to show that the Board in imposing that order acted with knowledge of that perjured testimony. That is a deplorable situation. Now, in effect, all we do by this amendment is to apply to the War Labor Board the definition which would provide the exemption which Congress intended to give agricultural labor. It does not propose to prevent the organization of unions or deny collective bargaining. It does want to require fairness and integrity of administration by terminating administrative practices that are deplorable.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. PHILLIPS. Mr. Chairman, I think it is important that this discussion of a very simple amendment should not start off on a basis of misunderstanding. This is not a new definition of agriculture. This does not establish a definition of agriculture. We should not debate whether that definition of agriculture is correct nor what it has to do with a definition of industrial labor. This amendment says to the War Labor Board what Congress thought it had said three times before, that this was the definition of agricultural labor.

There is a bill in the Committee on Agriculture on which hearings are to be held fairly soon, I believe that that is the place to debate whether that definition of agricultural labor is correct.

The War Labor Board holds itself above the definition. It says that the definition of "agriculture" established by Congress does not apply to the actions of the War Labor Board. This amendment says to the War Labor Board that the definition of agriculture established several times by the Congress is the definition of agriculture we intended to apply to these activities.

The reason for the amendment has come up in the last few days in Texas, Florida, and California. The cooperative packing houses have always had difficulties with the definition of agricultural labor. If the farmer takes an em-

ployee from the USES, a certain interpretation is applied; if he takes the same employee through the Extension Service, a different interpretation is applied.

I say that the definition itself is not a matter for immediate discussion. We are saying now that Congress has established the definition of "agricultural labor," and that is the definition we want the War Labor Board to follow.

The amendment offered by the gentleman from California [Mr. LEA] also implies that we want the War Labor Board to follow the law. After certification has been made by the National Labor Relations Board, that a certain union is to be the bargaining agent in an agency, there is a negotiation period. There is supposed to be negotiation between the employer and the employee, and it is not until that point is reached that the War Labor Board may step in. In the testimony brought before a committee of this Congress, the War Labor Board has skipped over those steps. As soon as a union is designated, whichever union it may be, the War Labor Board steps in and says, "Here is your contract; sign on the dotted line."

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. OUTLAND. Are there not certain types of agriculture in California, or industrial agriculture, where the season may only be 3 or 4 months, and if you give that waiting period, by the end of that time there will be no opportunity for the board to rule on anything, because the season has passed?

Mr. PHILLIPS. There are questions regarding certain cases. It is not clear whether this agricultural definition should or should not apply. That question applies, however, to the NLRB, not the WLB. It also applies to cases where the NLRB and the WLB have used the vote of one season's employees to impose the union on a totally different group in the season immediately following.

The CHAIRMAN. The time of the gentleman from California [Mr. PHILLIPS] has expired.

The gentleman from California [Mr. VOORHIS] is recognized.

Mr. VOORHIS of California. Mr. Chairman, it is with some reluctance that I oppose this amendment, because the amendment is offered by my colleague the gentleman from California [Mr. LEA], for whom I have highest respect. Nor do I believe that all of the actions of this Board have been wise.

I think that this question of the definition of "agricultural labor" in reference to the labor laws has got to be threshed out. The present situation is confusing. There is no doubt about that. But I am frankly afraid this amendment will make it worse. Just what the definition of agricultural labor ought to be I am not going to try to say today, except to say that, in my judgment, there are a great many people now excluded from the benefits of the Social Security Act, under the definition as applied to that act, who I do not think ought to be excluded, and who I think ought to have the benefits of that act. I see no reason why either

farmers or agricultural workers should not have the same protection for old age or disability as anyone else.

The immediate question, however, is whether or not in this appropriation bill we are going to set up the following situation: It is not true that Congress has established only one definition of "agricultural labor." It has established more than one. It established one in the Social Security Act; it established one in the Wage and Hour Act; it did not establish any, particularly, in the National Labor Relations Act except to exempt agricultural labor. The interpretation of "agricultural labor" which has been made by the National Labor Relations Board and which has been upheld by certain court decisions, whether you agree with it or not, is the definition which the National Labor Relations Board follows in making certifications of bargaining agents. I agree with the gentlemen who have criticized some of the action that has been taken. I believe the War Labor Board is wrong when it attempts to determine the bargaining agent. I think that is the job of the National Labor Relations Board. But if this amendment is adopted, you can have a situation where a union can be certified by the National Labor Relations Board as the bargaining agent for a certain group of workers, but the War Labor Board will be estopped from taking any action with regard to that matter in substitution for the type of collective bargaining which in peacetime would be expected. Now, what I am afraid this will mean is trouble. For if a union is going to be certified as a bargaining agent, and if, as is certainly the case, we expect them to observe the no-strike pledge, we cannot very well say at the same time that they cannot appeal for the use of the only machinery that exists as a substitute for such peacetime methods. That one agency is the War Labor Board. Now, if this amendment sought to limit the War Labor Board to a definition observed by the National Labor Relations Board, I would vote for it. For that would be a logical move. The other logical move is to settle this question by careful consideration of a legislative bill, a thing which is about to take place.

It must be remembered that the War Labor Board is a temporary agency and that we all hope the time is not far distant when the war will be over, and we will no longer need either the War Labor Board or a number of other war agencies.

The War Labor Board exists only for the purpose of trying to stand in place of the collective bargaining action that would take place in peacetime. This amendment would say that even though a group of workers were certified as the bargaining agent they could not go to the War Labor Board. A lot of testimony has been presented to the Smith committee but the hearings are not concluded and I do not believe the remedy for the problems that have been developed before that committee lies in this amendment. This amendment would exclude a very large number of workers, not alone some where there is still controversy but a great many where there is no controversy at present, where good relations exist between workers and employ-

ers and where this amendment would throw the whole matter into great confusion.

The CHAIRMAN. The time of the gentleman from California has expired.

The CHAIRMAN. The gentleman from Maryland [Mr. BALDWIN] is recognized.

Mr. BALDWIN of Maryland. Mr. Chairman, I rise in support of this amendment offered by the gentleman from California. I am a farmer, but, fortunately, live in a place in Maryland where we have not had any trouble with the unionization of farm labor. I am, however, familiar with the trouble they have had in some of the States. I know enough about the farm-labor situation to know that if labor unions should come in and organize farm labor and put them under the jurisdiction of the War Labor Board, with all the regulations that apply to industrial help, you would disorganize the entire agricultural set-up of the country. Farm labor is entirely different from industrial labor. In many instances it is seasonal. You cannot expect farm labor to conform to the hours and rules of industrial labor. Take my own instance, my work is seasonal. I have to keep six or eight regular men, pay them regular wages 6 months in the year for doing practically nothing. Those men during the seasonal operations expect to work somewhat longer hours and do not expect to get an increase in wages during that period, because they realize that the seasons even themselves up, and they are entirely satisfied with the conditions. But when you let an organization go into the farming sections of the country and organize the groups of workers in the way industrial labor has been organized, you are raising a real problem. I say to the city folks that if it becomes universal in this country you are going to pay a great deal more for your food than you ever have paid before. If the farmers of this country have got to conform to the hours and wages of industrial workers to produce food, the food costs in this country, I venture to say, will be raised 50 percent, and in some cases you might not get it at all.

Another thing, in many instances, if the usual procedure of industrial organization of labor were used on the farm in the case of the farmer who has two or three sons working for him, the sons had better hire out to him rather than let their work become part of the farm operations.

I certainly hope this amendment will prevail and that farm labor will be left without the jurisdiction of the Labor Relations Board.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

The gentleman from Pennsylvania [Mr. RICH] is recognized.

Mr. RICH. Mr. Chairman, it is very consoling to hear Members talk about the difficulties they are having with the National War Labor Board. As one of the Members said a while ago, when people talk about things in which they are interested they had better clear the lumps out of their throat so their words are not misinterpreted, and clear their minds of cobwebs when they vote on

some of these measures before the House and not center their thinking only on things that pertain particularly to themselves, things in which they in their own business are interested.

I believe this amendment is a good one. It is gratifying to me to see these fellows from California and Maryland come in here and say that labor unions are good only for industry, that labor unions are injurious and detrimental to the farmers and the packers of this country. They do not want it to apply to their own farm industry. It is time they stopped long enough to study and learn what kind of rules and regulations the National War Labor Board is putting out affecting all labor and all forms of industry and agriculture. If it is good for a man or woman working in a cotton mill why is it not good for a man or woman working in a packing plant?

Some people in industry are having about all the difficulty they can contend with, not from good, sound American labor unions, but from the radicals in labor unions. We have radicals in the labor unions today, and if the labor unions do not clear them out they will find that this country of ours will be in a rather precarious position both for labor as well as industry. The question is not raising the price of farmers' commodities. I want to see labor get good wages, I want to see them have steady employment, but the people in industry today are just about at their wits' end to know what to do about the rules and regulations as laid down by the War Labor Board and the demands made by radical labor. I want to impress that on your minds. We have a lot of Communists in this country who will do anything they can to tie up the country, tie up industry and agriculture; they will tie up every industry they can and every manufacturing plant that is making things that are necessary in the prosecution of this war. They do not care a ripsnort about anything except to gain an advantage for themselves, and when the War Labor Board gets to fostering people of that kind in labor unions it will be doing the labor unions the greatest amount of damage possible. The people of this country are going to wake up and the labor unions will find that they are not as successful in doing the things that are beneficial to labor as they would be if they hamstringed these radical labor leaders and put them where they belong because, as I stated, all these radicals want to do is to gain their own ends so that they can get fabulous sums of money out of it. It is a racket with these radicals. You have to be careful and very careful that you do not get the War Labor Board involved to the extent that it is driven to do something that is not for the benefit of this country. I want to see the Members, who are sincere in their convictions about getting the War Labor Board to do the right thing, vote for agricultural manufacturing establishments, and sound, sensible labor. Labor, agriculture, and business are all indispensable and must work and live together in peace and happiness and contentment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, I think that we ought to be rather certain of what some of the implications of this particular amendment are. My colleague from California [Mr. VOORHIS] says he opposes it with reluctance. I oppose it without any reluctance whatsoever because I am afraid it is going to increase strife in certain marginal fields where the definition of what constitutes agricultural labor is not yet certain.

We are discussing a field of collective bargaining here where the line has not as yet been sharply drawn. For example, is the labor in certain types of packing sheds agricultural or not? Thus far they have been certified as not agricultural and there has been a peaceful bargaining taking place between the workers in those sheds and the employers. If by this particular bill that is stricken out and funds cannot be used for that purpose, we can be quite certain that here on the floor of the House today we are taking an action that is going to increase strikes and increase industrial conflict at the very moment when we are trying to stop it.

The agricultural committee of this House has before it four bills at the present time as to what does constitute agricultural labor. I agree with the gentleman from California [Mr. LEA] that we ought to decide clearly, definitely and exactly what we mean, but it would be a very bad step to try to do it with very little debate on the floor of the House today. Moreover, if his definition is adopted, it will remove from collective bargaining several hundred thousand workers now protected. I would much prefer to see this definition given by the Committee on Agriculture after long and careful study. I fear very much that the action we take here today may have exactly the opposite effect to that which we hope for. It will be a real blow to many thousands of loyal workers in our packing sheds in the West and in the South.

Mr. HOOK. Mr. Chairman, will the gentleman yield.

Mr. OUTLAND. I yield to the gentleman from Michigan.

Mr. HOOK. Is it a fact that this amendment would not affect the small family-sized farmer but only the large commercial farmer?

Mr. OUTLAND. There is a very difficult problem, as I said a moment ago, of defining just what we mean by agriculture. For example, we do not mean agricultural labor when we talk about a cannery. Is there any distinction between a cannery and a packing shed? They are both phases of processing food, not producing it. This amendment, in my judgment, is just one more example of the attack that is constantly being carried on against the legitimate bargaining rights of American workers. Anything to drive another wedge into collective bargaining. Where are we going to draw the line? I think it would be far wiser action on the part of this House to vote down this amendment today and let this

problem of definition be worked out very thoroughly in the proper committee.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield

Mr. OUTLAND. I yield to the gentleman from California.

Mr. VOORHIS of California. It seems to me the crux of the thing is that the definition must be the same with regard to the National Labor Relations Board as it is in regard to the War Labor Board.

Mr. OUTLAND. I agree with the gentleman.

Mr. VOORHIS of California. That is the main thing that I believe is objectionable in this amendment today.

Mr. BALDWIN of Maryland. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Maryland.

Mr. BALDWIN of Maryland. Where did the demand for this unionization of farm labor come from? From not one source except the labor organizers in an effort to get the farm labor into the labor organizations. May I just point out this fact that when a strike occurs in an industrial plant, the product of that concern can lay there and wait, but if a strike occurs in a packing shed containing perishable merchandise it will be a complete loss.

Mr. OUTLAND. In turn, may I ask the gentleman a question? Where does the demand for this amendment come from? That is the real issue. The answer is crystal clear. It comes not from the farmers of America, but from the big industrial agriculturists, always eager to reduce wages, to lengthen hours, and to remove the safeguards of collective bargaining.

Mr. Chairman, this is a truly dangerous amendment, and should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I think that the Members should very thoroughly understand the exact situation before voting upon this amendment. The Fair Labor Standards Act was passed by the New Deal, and I have heard it proclaimed on the floor of this House a thousand times as the great charter for liberty for labor in America. In that Fair Labor Standards Act you define agricultural labor. The type and character of agricultural labor that you intended to exempt from the provisions of the Fair Labor Standards Act are very clearly defined. When you wrote the Social Security Act you again defined agricultural labor, and if you take the time to read the two definitions you will find that the definition of agricultural labor in the Social Security Act is vastly more extended than the definition of agricultural labor in the Fair Labor Standards Act. Now then, what this amendment purports to do is in effect to write into the Fair Labor Standards Act a new definition of agricultural labor which this Congress has never heretofore seen fit to write, and to write into the Fair Labor Standards Act the definition which is found in the Social Security Act.

It is a very serious amendment and will have very serious repercussions. I do not want to say how you should vote. I have my own opinion on that. But let me say that when you vote for this amendment you are voting to restrict the provisions of the National Labor Relations Act and the Fair Labor Standards Act just as well as you are the National War Labor Board Act. This amendment was before the Congress in the cloak rooms and in the lobbies, and it was suggested that it be offered as an amendment to the appropriation for the National Labor Relations Board. It was not offered to the National Labor Relations Board appropriation bill, but it is now sought to bring it in here and tack it onto the appropriation for the National War Labor Board. I want to say to you that if you do this you better, before you vote, find out just what the implications are behind this proposed amendment and how far it is going to go.

The question simply is, do you want to emasculate by your vote the provisions of the Fair Labor Standards Act, which contains a very broad definition of agricultural labor, and which it is sought by this amendment to enlarge to include a lot of workers you never intended to include in the exemption when you passed the Fair Labor Standards Act? That is the only question there is for our determination.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it is just amazing that a man could be so completely mistaken in his conclusions as is my good friend from Wisconsin [Mr. KEEFE]. It is quite true that in various acts Congress has defined agricultural labor. It is also true that the courts have in a half dozen or more cases defined agricultural labor. What has happened is this. It has been disclosed by testimony given before the Smith committee during the past week, and with which the gentleman probably is not familiar, that the War Labor Board is redefining agricultural labor. The War Labor Board goes so far as to argue, and this by the logic of its definition, that in Wisconsin, for example, where you have dairies, and many of them, if the farmer uses a milking machine, the fellow that adjusts it to the cow is an industrial worker. Out on the plains of Kansas, if the farmer uses a combine and threshes the grain as he cuts it, those men so engaged are industrial workers. Congress never intended the application of any such definitions. In Idaho, if a man sacks his own potatoes, and has his boy and girl help him, under the Labor Board contention they are industrial workers. We know we never intended any such construction to be used. That is not what Congress intended when it exempted agricultural labor in the National Labor Relations Act. Neither a farm worker nor a farmer becomes an industrial worker when he uses a pitchfork, a tractor, threshing machine, or a milker.

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What the War Labor Board is trying to do, and in some cases has succeeded in doing, is writing a new definition of agricultural labor into farming activities. All that I understand this amendment proposes to do is to go back to the old definitions established by the Congress and by the courts, and to curb the power of the War Labor Board, prevent it imposing either closed shop or security of membership clauses in contracts, forcing farmers, their children, or their employees into unions and the payment of dues.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I rise at this time to support the amendment offered by my colleague from California [Mr. LEA]. My congressional district, as I have said before and am proud to repeat, produces more food and fiber than any congressional district in the United States. I can say honestly to the Members of this House that at the present time the interference that is going on with the packing houses, when it is very important that we get this food to the armed forces in behalf of the war effort, is causing much delay in getting food to our fighting men even in the Pacific. I believe this amendment is much needed at this time if we are interested in winning the war. In order to prevent interference with the production of any food items and so that we may progress as fast as possible in winning the war I urge we take action.

In my congressional district, on many occasions in the past few months, disruption of the packing houses has come about not by the people who live in the community but by people who are brought in there and who, after they stay there 6 days, become eligible to vote on whether or not that packing house will operate under a union program. If they win the election they move out immediately. In some instances, if they lose the election they move out immediately. But where do they go? They move over to the next community, that same group of people, to set up a union program to interfere with the progress of the farmers in moving produce to the market.

This amendment, whether it is good or bad, is necessary in the minds of some people in behalf of the war effort at the present time to feed the boys in the Pacific and to feed our starving allies across the pond. But at a later date if this is not being worked out properly, after we have won the war, I will be glad to sit around the table with anybody and work out the right procedures. But at this time I will not yield further. I demand we vote on the Lea amendment, and I hope the membership will back it up and adopt it and thereby back up the boys by seeing that we get food to them as well as to people in every walk of life.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 120, noes 34.

So the amendment was agreed to. The Clerk read as follows:

OFFICE OF ECONOMIC STABILIZATION

Salaries and expenses: For all necessary expenses of the Office of Economic Stabilization, including salaries of the Director at \$15,000 per annum and one assistant to the Director at \$9,000 per annum; temporary employment (not to exceed \$6,360) of persons or organizations by contract or otherwise, without regard to civil-service and classification laws; not to exceed \$2,250 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944 (Public Law 364); traveling expenses (not to exceed \$4,500); purchase of one passenger automobile; and printing and binding (not to exceed \$2,000); \$196,250.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 6, line 17, strike out the balance of the lines down to and including line 3, on page 7.

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order against the amendment that it comes too late, inasmuch as we have already passed that part of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I was on my feet seeking recognition to offer the amendment.

The CHAIRMAN. The gentleman was on his feet. The Chair saw the gentleman standing and believes he should be permitted to offer his amendment. The Chair overrules the point of order.

Mr. WIGGLESWORTH. Mr. Chairman, this amendment is designed to eliminate the Office of Economic Stabilization. It is a small agency, but a growing one, set up like so many of these other agencies, under Executive order in the first instance.

Under our former colleague, Judge Vinson, this organization was carried on with a small staff and an expenditure of about \$89,000. His successor, Mr. Davis, comes before Congress at this time with a request which is double, both in terms of personnel and in terms of appropriation that which was required under the leadership of Judge Vinson.

When we try to find out what the exact functions of this agency are, we find the record on several occasions very hazy. It has been very difficult to find out just what this agency does and just what its duties are supposed to be.

It may be said in a word however that the function of this agency is that of coordination of a few of the so-called war agencies on the home front. It is designed to act as umpire when agency heads cannot come to an agreement. That seems to be its sole function. In my judgment the agency is unnecessary. The coordinating function is the function of a cabinet officer, and if that is not adequate we have the Office of War Mobilization and Reconversion, of which Judge Vinson is now in charge, which can handle any problems which might be presented to this agency.

Yesterday I quoted Mr. Davis, the present head of this agency, and I want to quote him again. He said:

I find myself in a good deal of sympathy with the idea that no coordination is necessary if these agencies will coordinate themselves.

Further quoting:

If there should not be another such office I will be glad to be relieved of my duties.

Our former colleague, Judge Vinson, is thoroughly familiar with the functions of the agency and has taken his entire staff to the Office of War Mobilization and Reconversion. In my judgment we should wind up the affairs of the Office of Economic Stabilization and permit Judge Vinson to do any umpiring that may be necessary.

I hope the House will support this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANNON of Missouri. Mr. Chairman, the Office of Economic Stabilization is the supreme court of stabilization. It is the referee, the umpire, the harmonizer. It is the correlating agency. The other agencies of the Government sometimes work at cross-purposes and must be correlated. For example, it is the referee on price differences between OPA and the War Food Administration. It is the referee between those who are handling prices and those who are handling wages. Whenever those who are handling prices render decisions affecting wages the Office of Economic Stabilization is the arbiter, and whenever those handling wage matters get into the field of prices it makes the necessary stabilizing adjustment. It would be impossible to proceed without an umpire.

But most important of all, the Office of Economic Stabilization is a controlling influence against inflation. To abolish it as is proposed in this drastic amendment would be to loose unbridled inflation on the Nation.

Judge Vinson, to whom reference has been made, earnestly approves this appropriation. I am astonished there should be any suggestion that it be eliminated. I trust the amendment will be voted down.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, anyone who really believes that this is necessary should read the testimony that was offered before us in the committee.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. CASE of South Dakota. Yes; I yield to the gentleman from New York.

Mr. TABER. When Mr. Vinson moved out of this office he took all of the business with him and left nothing for Davis to do.

Mr. CASE of South Dakota. He took the real power with him. Appeals can be made from this office to Mr. Vinson.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CANNON of Missouri. The suggestion that Vinson moved out and took all the business with him is without any

foundation whatever. The powers and functions of the office remain as heretofore.

Mr. CASE of South Dakota. The fact remains, though, that Judge Vinson in his present position can overrule whatever this official decides. This is strictly the case of putting on an extra wheel, of putting a patch on a patch. If agencies, when given a decision to reach, disagree, they come here; and if they disagree here, they go to Mr. Vinson.

The appropriation last year was only \$100,000 for this activity. When Mr. Davis came in he said he would have to have more money. He wanted more economists, he wanted more lawyers. In other words, he wanted to set up a little bureau to duplicate, in effect, the bureaus he was to referee.

This is strictly a question of putting in an unnecessary difficulty, of increasing the number of appeals and increasing the exasperation of the American people. The whole war program would move more smoothly if we did not have it in here. Mr. Davis told us he wanted to get out of the job just as soon as he could. Here we have a chance to help him by voting for the amendment offered by the gentleman from Massachusetts.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. WIGGLESWORTH) there were—ayes 71, noes 62.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. WIGGLESWORTH.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 69.

So the amendment was agreed to.

The Clerk read as follows:

OFFICE OF INTER-AMERICAN AFFAIRS

Salaries and expenses: For all necessary expenses of the Office of Inter-American Affairs, including salary of the Director at \$10,000 per annum; not to exceed \$15,000 for the temporary employment of persons or organizations by contract or otherwise without regard to the civil-service and classification laws; employment of aliens; travel expenses, not to exceed \$101,297; printing and binding, not to exceed \$12,000; not to exceed \$8,000 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944 (Public Law 364); entertainment of officials and others of the other American Republics; grants of money, property, or services to governmental and public or private nonprofit institutions and facilities in the United States and the other American Republics; the free distribution, donation, or loan of publications, phonograph records, radio scripts, radio transcriptions, art works, motion-picture scripts, motion-picture films, educational material, and other material and equipment; such other gratuitous assistance as the Director may deem necessary and appropriate to carry out his program expenses of transporting employees of the Office of Inter-American Affairs and their effects from their homes to their places of employment in the other American Republics, or from their homes in the other American Republics to their places of employment, and return, when specifically authorized by

the Director; travel expenses of dependents and transportation of personal effects, from their places of employment to their homes in the United States or in the possessions of the United States or in the other American Republics, of employees for whom such expenses were paid by the Government on their assignment to posts in foreign countries: *Provided*, That corporations heretofore created or caused to be created by the Coordinator of Inter-American Affairs primarily for operation outside the continental United States shall determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid without regard to the provisions of law regulating the expenditure, accounting for and audit of Government funds, and may, in their discretion, employ and fix the compensation of officers and employees outside the continental limits of the United States without regard to the provisions of law applicable to the employment and compensation of officers and employees of the United States: *Provided further*, That the Director shall transmit to the President immediately upon the close of the fiscal year a complete financial report of the operations of such corporations; \$14,000,000, of which \$3,543,290 is for the payment of obligations incurred under the contract authorization of \$18,000,000 under this head in the National War Agencies Appropriation Act, 1944, and \$301,423 under the contract authorization of \$2,500,000 under this head in the National War Agency Appropriation Act, 1945: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available to meet emergencies of a confidential character to be expended under the direction of the Director, who shall make a certificate of the amount of such expenditure which he may think it advisable not to specify and every such certificate shall be deemed a sufficient voucher for the amount therein certified: *Provided further*, That notwithstanding the provisions of section 3679, Revised Statutes (31 U. S. C. 665), the Director is authorized in making contracts for the use of international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of such radio stations and facilities from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 9, line 14, strike out the entire paragraph beginning on page 9, line 14, also the remainder of the page; all of pages 10 and 11, and the first seven lines of page 12.

Mr. JONES. Mr. Chairman, I have offered this amendment as I previously announced I would because there is a duplication of authority of the State Department, the Office of Inter-American Affairs, the OWI and the FEA. I cannot offer the amendment that I would like to offer to transfer the functions under this paragraph and the money appropriated therefor to the State Department. I yield to no one in my desire for complete cooperation with all of the American Republics. However, the Office of Inter-American Affairs is a child of the Coordinator of Inter-American Affairs, an independent agency, whose functions overlap those of the OWI, the FEA, and the State Department.

I have before me, and I shall insert it in the RECORD, the language of the act, Public Law 61 of the Seventy-ninth Con-

gress, which was recently passed, which is the appropriation bill for the State Department for the fiscal year 1946, the same fiscal year for which this paragraph provides funds for the Office of Inter-American Affairs. The language of that public law at pages 13 and 14 covers the functions of the American Republics Division of the State Department, as follows:

Cooperation with the American Republics: For all expenses necessary to enable the Secretary of State to meet the obligations of the United States under the Convention for the Promotion of Inter-American Cultural Relations between the United States and the other American Republics, signed at Buenos Aires, December 23, 1936, and to carry out the purposes of the act entitled "An act to authorize the President to render closer and more effective the relationship between the American Republics," approved August 9, 1939, and to supplement appropriations available for carrying out other provisions of law authorizing related activities, including the establishment and operation of agricultural and other experiment and demonstration stations in other American countries, on land acquired by gift or lease for the duration of the experiments and demonstrations, and construction of necessary buildings thereon such expenses to include personal services in the District of Columbia; not to exceed \$125,000 for printing and binding; stenographic reporting, translating, and other services by contract, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); not to exceed \$5,000 for expenses of attendance at meetings or conventions of societies and associations concerned with the furtherance of the purposes hereof; and, under such regulations as the Secretary of State may prescribe, tuition, compensation, allowances and enrollment, laboratory, insurance, and other fees incident to training, including traveling expenses in the United States and abroad in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended, of educational, professional, and artistic leaders, and professors, students, internes, and persons possessing special scientific or other technical qualifications, who are citizens of the United States or the other American Republics: *Provided*, That the Secretary of State is authorized under such regulations as he may adopt, to pay the actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses of citizens of the other American Republics while traveling in the Western Hemisphere, without regard to the Standardized Government Travel Regulations, and to make advances of funds, notwithstanding section 3648 of the Revised Statutes; traveling expenses of members of advisory committees in accordance with section 2 of said act of August 9, 1939 (22 U. S. C. 249a); purchase (not to exceed five passenger automobiles), hire, maintenance, operation, and repair of motor-propelled and animal-drawn passenger-carrying vehicles; purchase of books and periodicals; rental of halls and boats; and purchase, rental, and repair of microfilming equipment and supplies, and colored photographic enlargements, \$4,000,000; and the Secretary of State, or such official as he may designate is hereby authorized, in his discretion, and, subject to the approval of the President, to transfer from this appropriation to other departments, agencies, and independent establishments of the Government for expenditure in the United States and in the other American Republics any part of this amount for direct expenditure by such department or independent establishment for the purposes of this appropriation and any such expenditures may be made under the specific authority herein contained or under the au-

thority governing the activities of the department, agency, or independent establishment to which amounts are transferred: *Provided further*, That not to exceed \$100,000 of this appropriation shall be available until June 30, 1947.

The language of the paragraph in the State Department appropriation bill gives all of the functions that are covered in the bill at pages 9, 10, 11, and 12, which this amendment would strike out. If it were possible under the standing rules of the House to transfer these functions to the State Department I should be only too glad to do so. I do not want to cripple our relationships with the American Republics. All I want to do is to establish order out of the confusion of conflicting agencies so that we do not have three or four or five agencies with representatives in all of the American Republics that have to wear badges to keep from selling or giving the Government away to each other. I hope that I will have the cooperation of the Members on both sides of the aisle for this constructive means of tying to the State Department the functions originally intended for the State Department when it was created, to wit, to be the exclusive agent representing the United States Government in our intercourse with other nations. I firmly believe that when President Truman gets down to the task of defining the functions of the different old-line agencies he will transfer these special war-agency functions and their personnel to the old-line agencies so that we will have a closely knit organization that radiates the United States from a top Cabinet position, under administrators that have capacity to govern.

Let us see how ridiculous the history of this Office of Inter-American Affairs is. Nelson Rockefeller for a long time was the Administrator of this agency. He handled funds that sometimes ran as high as \$23,000,000 a year. He is appointed an Assistant Secretary in the State Department in charge of this particular work in the State Department, and he needs two bosses to administer three-million-odd dollars. How ridiculous it is that a man cannot handle the same job in the State Department and how ridiculous it is that this Agency should not be brought into the regular functions of the State Department so that when a government deals with the United States representatives, it may deal with one agency that governs the economic, political, and agricultural relationships or every function that the United States is interested in in foreign intercourse. That is the way it should be.

This is a constructive amendment to do a good job for the United States Government so that we will grow in stature and honor with men who are career diplomats in their dealings with other nations.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The gentleman's idea is that if this item is stricken out it will then be possible to effect the transfers to the State Department through an item in the deficiency bill?

Mr. JONES. That is exactly what I have in mind. The deficiency committee has been in almost continuous session from the beginning of the war and it can hear these requests in behalf of the State Department to do this job most any Thursday or Friday afternoon that the President wants to send them down.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, this amendment strikes at one of the most vital provisions carried in this bill. Now of all times in the history of the Nation and the hemisphere, we need and value the friendship and esteem of our neighbors south of the Equator. For many years we labored under the disadvantage of relations which were not wholly amicable with some of our southern neighbors. The result not only to American business but to our world relations was most disastrous.

I cannot think of a situation warranting more earnest and sympathetic consideration. It is to be regretted that the papers and the radio serving South America will carry news that such an amendment has even been offered. Under the admirable administration of this agency we have in the last 3 years, and especially in the last few months, won completely the friendship and confidence and the affection of our estimable neighbors in North, Central, and South America. We have shown them that we have no selfish aspirations, we have no desire to encroach upon their rights or prerogatives, either political or commercial, and that our only desire is to live in complete amity as a member of a family of states, all of whom have common interests and mutual respect and regard for each other.

In response to the suggestion that this work should be done by the Secretary of State, may I say that there was submitted to our committee a letter by Acting Secretary Grew, shown at page 582 of the hearings, endorsing this activity. They do not want it included in the State Department at this time. They feel that it can function more effectively as a separate and independent agency. They urge this appropriation and the continuation of this activity.

But, unfortunately, the amendment goes further than the disruption of international relations. It involves repudiation of obligations of the United States Government.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Ohio.

Mr. JONES. I do not see how the gentleman can make that statement because the State Department by treaty, as referred to in the State Department Appropriation bill, has authority to deal in cooperation with the other American Republics. We appropriated some \$3,000,000 this year to that agency for that purpose. This is just to combine the functions under one head as a good

business proposition. This is no slap in the face of the South or Central American republics because nothing would be denied that is now being done.

Mr. CANNON of Missouri. The gentleman characterizes his amendment as a good business proposition. On the contrary it would be a very poor business proposition. It would tend to disrupt the friendly and happy relations which have been established with such care in the Latin countries and which are now universal throughout North and South America.

I cannot think of anything which would be more deplorable at this critical time than such an interference with our diplomatic relations with our neighbors. They could hardly interpret it in any other way than as the slap in face to which the gentleman has referred.

More than that, this amendment proposes the impossible step of repudiating American contractual obligations which have been incurred through corporations which the Office of Inter-American Affairs has established under authority of law. These obligations must be met, and provision is made to meet them here. I trust that no one will seriously suggest that the United States Government repudiate its financial obligations to our South American neighbors.

Mr. Chairman, I cannot believe that this amendment will be taken seriously. I trust it will be rejected by a decisive vote.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 78, noes 81.

Mr. JONES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. CANNON of Missouri and Mr. JONES to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 76, noes 90.

So the amendment was rejected.

The Clerk read as follows:

OFFICE OF WAR INFORMATION

Salaries and expenses: For all necessary expenses of the Office of War Information, including the employment of a Director and Associate Director at not exceeding \$12,000 and \$10,000 per annum, respectively; not to exceed \$45,800 for the temporary employment in the United States of persons by contract or otherwise without regard to the civil-service and classification laws; employment of aliens; employment of persons outside the continental limits of the United States without regard to the civil-service and classification laws; travel expenses (not to exceed \$267,500 for travel within the continental limits of the United States); expenses of transporting employees and their effects from their homes to their places of employment outside continental United States and return to their homes in the United States; reimbursement, at not to exceed 3 cents per mile, of employees or others rendering service to the Office of War Information for use by them of privately owned automobiles for transportation on official business within the limits of their official stations or places of service; purchase of radio time and purchase or rental of facili-

ties for radio transmission; purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception, including real property outside the continental limits of the United States and temporary sentry stations, guard barracks, and enclosures for the security of short-wave broadcasting facilities within the continental limits of the United States without regard to the provisions of section 355, Revised Statutes (40 U. S. C. 255), and other provisions of law affecting the purchase or rental of land and the construction of buildings thereon; advertising in foreign newspapers without regard to section 3828, Revised Statutes (44 U. S. C. 324); printing and binding (not to exceed \$1,000,000, for such expenses within the continental limits of the United States), including printing and binding outside the continental limits of the United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); not to exceed \$56,250 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944 (Public Law 364); purchase or rental and operation of photographic, reproduction, printing, duplicating communication, and other machines, equipment, and devices; exchange of funds without regard to section 3651, Revised Statutes; acquisition, production, and free distribution of publications, phonograph records, radio transcriptions, motion-picture films, photographs and pictures, educational materials, and such other items as the Director may deem necessary to carry out the program of the Office of War Information, and sale or rental of such items by contract or otherwise to firms or individuals for use outside the continental limits of the United States; purchase, repair, and cleaning of uniforms for use by porters, drivers, messengers, watchmen, and other custodial employees outside continental United States; such gratuitous expenses of travel and subsistence as the Director deems advisable in the fields of education, travel, radio, press, and cinema; not to exceed \$250,000 for entertainment in the United States and abroad of officials and others in the fields of education, radio, press, and cinema of other countries and prior appropriations of the Office of War Information for this purpose shall be construed as having been available for expenditure in the United States; payment of the United States' share of the expenses of the maintenance, in cooperation with any other of the United Nations, of organizations and activities designed to receive and disseminate information relative to the prosecution of the war; \$35,000,000: *Provided*, That not more than \$31,135,270 (including living and quarters allowances) shall be allocated to the Overseas Operations Branch and not more than \$1,297,500 shall be allocated to the Domestic Operations Branch for the following functions only: Office of the Director; Book and Magazine Bureau; Foreign News Bureau; Graphics Bureau; News Bureau; Bureau of Special Services; Radio Bureau; Motion Picture Bureau, not exceeding \$36,840: *Provided further*, That notwithstanding the provisions of section 3679, Revised Statutes (31 U. S. C. 655), the Office of War Information is authorized in making contracts for the use of international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further*, That not to exceed \$250,000 of this appropriation shall be available to meet emergencies of a confidential character to be expended under the direction of the Director, who shall make a certificate of the amount of such expenditure which he may

think it advisable not to specify and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 12, line 13, strike out "\$45,800" and insert "\$22,900."

Page 12, line 18, strike out "\$267,500" and insert "\$130,000."

Page 13, line 15, strike out "\$1,000,000" and insert "\$500,000."

Page 14, line 13, strike out "\$250,000" and insert "\$125,000."

Page 14, line 22, strike out "\$35,000,000" and insert "\$17,500,000."

Page 14, line 23, strike out "\$31,135,270" and insert "\$16,500,000."

Page 14, line 25, strike out "\$1,297,500" and insert "\$297,500."

Page 15, line 1 through line 5, strike out the following: "for the following functions only: Office of the Director; Book and Magazine Bureau; Foreign News Bureau; Graphics Bureau; News Bureau; Bureau of Special Services; Radio Bureau; Motion Picture Bureau, not exceeding \$36,840", and insert a colon.

Mr. TABER. Mr. Chairman, this is an attempt to cut the Office of War Information from \$35,000,000 to \$17,500,000, and the cuts have been proportioned practically accordingly.

The expenditure this year in the Pacific area is \$12,200,000. For the Overseas Branch this amendment allows \$16,500,000. It is perfectly ridiculous to have them spending as they wanted to, over \$20,000,000 in the European and Atlantic section. It is perfectly ridiculous, as they wanted to, to maintain an office doing nothing of any account in New York City with 2,100 people. It is perfectly ridiculous for them to maintain an office in San Francisco with 895 people. The only thing that I can see that they do in San Francisco is to get out 12 broadcasts a day that are not very effective. They could run it with 50 people and have plenty of margin. They can operate everything that they want to operate in China, the Philippines, Hawaii, and anywhere in the Pacific region on this money. Why should we let them go on and monkey around in Italy with 1,300 people, all over Africa with a station in almost every town, all over western Asia, and all these terrible set-ups in the United States? Why? They have 906 people in Washington and their functions here are supervisory and administrative. They have on the roll at the present time 10,383 employees, a perfectly ridiculous figure.

Let us put an end to this waste of manpower, let us put an end to this waste of Government funds and put it down somewhere near what is right and what it ought to be. Frankly, this cut that I am proposing is very conservative; it should be more. But I am giving every one of them the benefit of the doubt. If they had \$7,000,000 they could provide for everybody who is needed to carry on this activity fairly, efficiently, and effectively; and I hope the House will adopt this amendment and put an end to this waste.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VORYS of Ohio. Did I understand correctly that earlier this afternoon the gentleman stated that the whole Associated Press world-wide service costs only \$12,000,000.

Mr. TABER. That is correct; and the United Press is only \$10,000,000 for their whole set-up, and they cover a thousand times what is covered by this outfit. It is perfectly ridiculous for us to be wasting money in this style. It is against the war effort to vote for anything that wastes money this way. It is not for the war effort, and I hope this amendment will be adopted.

Mr. DWORSHAK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DWORSHAK. I wish to call the gentleman's attention to Joint Resolution 202 in which the President has requested the Congress to recapture excessive appropriations made during the fiscal year ending the 30th of this month. Included therein for the Office of War Information, salaries and expenses, is an item of \$4,750,000, which means that a year ago this Congress gave the OWI approximately \$5,000,000 more than they can spend during the present fiscal year.

Mr. TABER. That is true; and here we are giving them more than double what they have any right to spend.

Mr. WOODRUM of Virginia. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, it would be most unfortunate to make a drastic cut in the Office of War Information such as is proposed by the gentleman from New York. The Congress has shown a number of times that there were certain features of the programs of the Office of War Information that did not meet its approval and it curtailed them accordingly.

During the current fiscal year the Office of War Information had for expenditure something over \$50,000,000. The appropriation suggested now by the Appropriations Committee reduces that to \$35,000,000.

Let us see for just a moment what this will do. It is true that the European war is over so far as the shooting is concerned, but if you will talk to some of the Members of the House who have been over there since the shooting stopped you will see that the military governments that are taking over have a proposition on their hands of gigantic proportions. In the countries taken over by the Allied armies an effort is being made to bring order out of chaos. The military governments are using the Office of War Information for that purpose. They are using it to get to the population and to the citizens information in the way of directives, instructions, and rules and regulations for their conduct as a conquered people and, in addition to that, they are trying to get over to the people real information as to what America is doing, as to what it has tried to do and as to what its objectives are in the future. Nothing could possibly be more important in the days right immediately ahead of us than to see to it that the conquered countries get proper information.

The Office of War Information does not decide what the people get. That agency broadcasts to the people and they get the information in the way of news releases that are passed upon and carefully censored by the military governments that are in the occupied countries and that have charge of those territories.

Mr. Chairman, this would absolutely wipe out all of the activities of the Office of War Information in the countries that we have just taken over and there would be chaos and confusion. Not only that but we are just getting started in the Pacific and it is proposed to use the Office of War Information there. How can any gentleman put his judgment as a Member of Congress up against the judgment of our military men who say they use this service?

Mr. Chairman, I am sorry the distinguished gentleman from Illinois [Mr. DIRKSEN] is not here today because we all know him as an earnest, conscientious, high-minded man who does not hesitate to take the well of the House and express his views and say what he thinks, even though sometimes many of us are not in accord with him and many times we do not agree with him on matters. I know, as many of you gentlemen know, what the gentleman from Illinois said upon his recent return from abroad. He said in his judgment he thought it might be safe to cut the Office of War Information to \$35,000,000 but it would be tragic, he said, if it were wiped out entirely and if its services which are so necessary at this time for the reasons I have indicated were denied to the military governments. If the gentleman were present today he would take the well and say to you that in his judgment this appropriation should not be cut one farthing from what the Appropriations Committee has cut it. I may say that it was largely upon his splendid testimony and his emphatic assertion as to what this agency had done that the Appropriations Committee was willing to go along with this.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 50 minutes, the last 5 minutes to be reserved for the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON].

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, how many Members rose?

The CHAIRMAN. Twelve.

Mr. MARTIN of Massachusetts. Mr. Chairman, I think we ought to have an hour, then.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 1 hour, the last 5 minutes to be allotted to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, broadly speaking, it may be said that there are three areas of activity for which the funds are asked for the Office of War Information. Those three areas, in the way in which I choose to approach the subject, are these: First, the domestic, or that phase of their activity within the United States; second, the phase of activity in Europe; third, the phase in the Pacific. The appropriation contained in the bill is \$35,000,000. In his amendment the gentleman from New York has provided that not more than \$16,500,000 shall be allocated to the Overseas Operations Branch. That leaves for the operation of the Overseas Branch considerably more than was requested for the phase in the Pacific.

In general, it may be said that the amendment offered by the gentleman from New York is based upon the theory that the primary overseas job should be that in the Pacific. In the picture that the OWI offers for their work in Europe they include the operation of 7 newspapers with a projected or estimated circulation of 2,000,000 copies. The amendment offered by the gentleman from New York is predicated upon the assumption that the main work should be that in the Pacific, that the work here in the United States could be very greatly reduced, and that the work in the European theater could be very greatly reduced.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. This is the question that I wanted to ask the gentleman from Virginia. Is it not a fact that the War Department has sufficient funds and sufficient trained personnel to do everything that OWI is supposed to do in Europe?

Mr. CASE of South Dakota. Yes; in my judgment as a member of the subcommittee handling War Department estimates, that is correct. The theater commanders today have the responsibility of determining what is permitted to be published in the countries now occupied.

Through the communiqués which the theater commander wants to issue, through his licensing and control of what is to be published, he has within his hands today control of the situation in Europe. The question is whether or not you want on top of that to empower the OWI to go into the European theater and engage in the publication of newspapers and continue as a war agency when the war is over.

I had quite a discussion with Mr. Davis, the head of the OWI, during our hearings on this. I asked him if he, as an exponent of freedom of the press, did not believe that we have to exercise the processes of democracy if the countries of Europe are going to live in a democratic state. He attempted to suggest, "Well, we can agree on that as a philosophical

proposition, but we have a practical situation to deal with."

I submit to you in the terms that were offered by the Washington Post of this city that the only way in which the countries of Europe are going to learn democracy is by practicing it. If we, during the period of occupation, control what goes into their papers, if we have free access to them to get across what we want through communiques, then there is no need for our going into the business of publishing newspapers in Europe.

Then let us look at the domestic scene. The language of the Taber amendment proposes to cut down on the operations of the OWI at home. At the present time in New York City there are 2,182 employees, in Washington 706, and in San Francisco 895. We have our own news services in this country; why does OWI need such a set-up here?

When you vote on this amendment, remember that we are leaving for OWI more money than the Associated Press requires for its world-wide operations. I am told that the world-wide operations of the Associated Press are carried on with a budget of about \$12,000,000, those of the United Press on \$10,000,000. We are leaving in the bill under the terms of this Taber amendment, \$16,000,000 for the operations around the world. We are not crippling a sound and sane program for the OWI to carry on its psychological war against the Japs.

I urge your support for the amendment offered by the gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, it is my firm belief that the drastic cut proposed would be nothing less than tragic. Recently I had the experience of talking with a close friend of mine, a friend of 20 years, who was head of the operations in Turkey for the Office of War Information, the man who set up the office in Casablanca. In company with him, I went to the head office of the Office of War Information. Naturally, knowing him well, I went into this very thoroughly. I was surprised to learn the amount of work that particular branch of the Government has done and what they have been responsible for. Through their actions they have been responsible for the surrender of the entire Italian Fleet. One battleship alone would more than pay for the amount of this entire appropriation. I was also surprised at the number of lives that particular branch of the Government has saved in this war by being able to influence the direction and trend of affairs in Europe.

That is not all. We have not yet won this war. This friend of mine told me that Russia is at the present time setting up operations in north Africa and all over Europe to spread information in mass production. It is true the shooting war has more or less stopped in Europe, but he told me that the people of Europe do not even know what we did in this war. We went out of the last war, and they did not even know we had participated in it except in the places where our soldiers marched.

We went into the war supposedly to settle questions for the future. We are voting on appropriations for various agencies of the Government now in order to forestall another war. If this drastic cut is put into effect, we would be unable to carry out the functions of the OWI in Europe and disseminate information to instill in the minds of the people of Europe our place in the world.

I think it would be downright criminal for us to take this particular branch of the Government, with all of their experts and with their radio technicians, and eliminate it and expect the War Department with no real technicians to go ahead with this work in Europe. That is exactly what would happen. Because, as a matter of fact, it would have to withdraw from Europe and concentrate on China. That is not all. We expect to exert influence in Europe after this war is over. Why should we spend all of our money and have our men sacrificing their lives fighting this war and when it is over settle down and wait for another war to come? We want to tell the world about our position. I think it is time for us to do it now. We should continue to do it. For the first time in history we have a means of disseminating to the world some information as to what democracy means.

They have more than radio programs. You should go down to the Office of War Information and see the thousands of bulletins which have been put out explaining the position of the American Government and something about the American people. There has been so much misunderstanding all over the world about us. It is time for us to disseminate a little information. That information could be sent out for something less than the cost of a cruiser or less than half the cost of a battleship. In order to effect such a small saving, it is proposed here to take away the very instrument by which we are able to tell the world what we are doing.

It is said that we are going to leave it to the War Department. The question is asked, "Do they compare with the AP and the UP?" Why, that is ridiculous. As a matter of fact, this particular branch of the Government hires a large number of foreigners. This friend of mine told me when he went into Turkey he could not get an article into a single Turkish newspaper. Von Papen had them all sewed up. What did my friend do? He had to hire men who were on the Turkish newspapers. In other words, he had to put them on his pay roll in order to get enough influence. In a very short time he had a few articles in some of the Turkish newspapers, and within 6 months he had articles about America's part in the war appearing in every newspaper in Turkey. That is something we have to think about.

Then we have the Chinese theater of war and all the things attendant upon the disrupted conditions in the Orient. We have not even touched on that. The Office of War Information has concentrated on Europe. It is very important that we keep this appropriation not only at the existing level, but we should even provide more.

The CHAIRMAN. The Chair recognizes the gentlewoman from Connecticut [Mrs. LUCE].

Mrs. LUCE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York, to cut the OWI appropriation.

I agree wholeheartedly with everything that the gentleman who has just spoken has said, and with the distinguished gentleman from Virginia, about the importance of the need for a voice for America, a voice which will constantly state America's cause abroad. But I cannot help thinking that we do not need to spend the sum proposed to have that voice and to achieve the effects for America's cause abroad, which we seek.

I offer as an exhibit today the total output of the Overseas Branch of the Japanese Division of the OWI in San Francisco for 1 day late this May. It comprises 13 radio scripts.

Now, the gentleman from Virginia said that it was a dangerous thing for any Member of Congress to put his judgment on an OWI question against that of our military men. I am completely prepared to put my judgment with reference to the amount of talent, and money, and ability it should take to produce these 13 scripts—the total output of that branch of the OWI on one May day—beside the judgment of any military man in the United States of America. No one would not dare place his judgment against that of military men in the field as to what the net military effect of these scripts might be, but as to the amount of time or money that it should take to prepare them, I believe that you and I would be very competent judges.

These 13 radio scripts averaged 15 or 20 minutes radio time each. Of the 13 scripts, 3 were contributed gratis to the OWI. One was written by a captain in the Navy called Captain Zacharias. Another one was contributed by Mr. Hu Lin, editor of the paper Ta Kung Pao, a Chinese delegate to the San Francisco Conference. The remaining 11 scripts written by OWI writers. Eight of these scripts are straight news broadcasts. I would be extremely surprised if the gentleman from Virginia [Mr. WOODRUM] could not, in his spare time in between votes on the floor of this House, with a scissors and paste pot and a copy of the Washington Post, turn out as good and certainly better script as any one of these.

Eight of the 11 scripts are news broadcasts of a very commonplace quality. Three might be called original material. One of these, which lasts 10 minutes, describes the inflationary economy of Japan, a broadcast, I venture to say, few of us would understand or consider very informative if we had heard it.

Another one consists of canned music from the Merry Widow.

A third one is an appeal to the Japanese soldier, to the Japanese soldier on Iwo Jima or Okinawa, to lay down his arms and go home. It describes to him in 15 sentimental minutes of piffle that there is a moon out over Japan and that the tubs of fertilizer smell very sweet in his backyard. And that he should, there-

fore, desert his fox hole to get back to that moon and fertilizer in Nippon. It is perfectly plain to any one of you who will take the trouble to read these scripts that it should not conceivably take 895 people in the San Francisco office to produce 12 such scripts as these per diem.

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield the 5 minutes that have been allotted to me to the lady from Connecticut.

The CHAIRMAN. Without objection the gentlewoman from Connecticut is recognized for five additional minutes.

There was no objection.

Mrs. LUCE. Each of these scripts cost the American taxpayer approximately a thousand dollars. I do not know how many people in Japan have listened to them or have been convinced by them. I wish to hazard no guess on that subject, but I do insist that with a staff of 100, reasonably intelligent American newspaper men and women and a few Japanese translators, any of us could turn out more scripts, and far better scripts than these.

Now, I have been abroad, too, as has been the gentleman who spoke before me. I too have seen OWI in operation overseas, indeed since its very inception. I saw it when it was being formed in India. I saw it in the Near East. I have seen it operate in England and in France. I have seen it in China. I think I know a little about OWI. I do not hesitate to say for a moment that the job that OWI does overseas is important and highly necessary. Nor can any fair-minded person deny that many of its personnel are highly able men and women, doing their best for our country overseas. But there are many far too many useless and incompetent people on the pay roll of OWI overseas and abroad.

We dare not close off all money to the OWI, but it seems well within reason that the OWI should be put on its mettle by a cut which would inspire them, in their country's behalf to do twice as much with half as much. I think they can, and should do it. I warmly support the amendment offered by the gentleman from New York.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentlewoman from Connecticut yields back 2 minutes.

The gentleman from South Carolina [Mr. RICHARDS] is recognized.

Mr. RICHARDS. Mr. Chairman, there is probably no branch of the Federal Government that has been subjected to as much unjust criticism as has the OWI. It is my honest opinion that no branch of this Government has done a better job with the tools it has had to work with. It is very prudent, I think, in discussing this question to remember that not one single Member of the House has condemned the purposes of OWI, nor the quality of the job it is doing. Their over-all job, everybody says, has been well done. Then somebody will get up here as has the gentlewoman from Connecticut and pick out some triviality and say something about scripts costing too much. Let us remember that the OWI

is blazing a trail insofar as the United States is concerned, insofar as a governmental function of the United States is concerned. What did we do during the last war? We went over there, we saw, we conquered, we threw down our guns, we came back home, and anyone going to Europe a few years afterward found the people of Europe, the average people of Europe, hardly able to tell the traveler what the United States had done in the war or what prompted the United States to plunge into the conflict.

One of the main jobs of the United States, as I see it, in its plan, its program to establish an organization to preserve and maintain peace, is to let people of the other parts of the world know about the ideals of the United States, the policies of the United States, the achievements of the United States both in the political and the military fields, if you please. With all the money this Congress has spent for good will, decent living, and international peace and stability, to quibble over \$35,000,000 to give the people of the world a picture of what we are and what we stand for, is a very poor line to take, in my opinion.

Yes; I have an objection to this provision here; I think it should have been at least \$50,000,000 instead of \$35,000,000. Elmer Davis has done a grand job.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. ELLSWORTH. I saw the gentleman from South Carolina in London at the same time I was there last fall. I am sure the gentleman along with me observed what the people in the London Office of the OWI were doing, that they were a very hard-working group; in fact, I thought Bill Weber and some of the others might be overworking at the time we were there. As far as I could see, and I think the gentleman will agree with me, they were going a good job in the London office, they were not wasting any money.

Mr. RICHARDS. I thank the gentleman for that observation. I believe the same thing could be said of every other office of the OWI. I think that the Members of Congress who have been fortunate enough to visit foreign fields during this war found that to be the case everywhere over there. Now, Mr. Chairman, we must not get our eyes away from the main issue; remember that no one has denied that OWI has done an over-all good job. We should view the woods and not just look at one gnarled tree.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, when the OWI came before your Committee on Appropriations it requested an appropriation of \$42,000,000. In other words, with only the war with Japan confronting us, the war in Europe having terminated, OWI made a request for 83 percent of the appropriation which it had for the current fiscal year. Furthermore, the OWI told us it wanted to use 53 percent of its foreign funds in Europe, as compared with 47 percent in

the Pacific, where the fight is still going on.

Mr. Chairman, as stated in my remarks of yesterday, to me such a request just does not make sense under present conditions.

OWI told us they wanted the money in Europe for three purposes, namely, for informing Europe about the Japanese war, for helping public relations between the armed forces and local populations, and for telling the people about America and what America wants. For those three purposes OWI asked \$18,800,000.

When you read what they told us they contemplated doing in Germany it all comes down to one word, namely, "reeducation." As I stated yesterday, I do not believe the people of Germany can be reeducated in any reasonable length of time by American propaganda which they are forced to consume.

I have talked with many people in this country, with men in the newspaper world and in our Government here, and while I am not free to use names, the consensus of opinion that I have obtained from those with whom I have talked—and they include those in high places who certainly ought to know what they are talking about—is to the effect that OWI is contributing very little to the war effort at this time and that its program for Europe where the war has been terminated is both unreasonable and impractical.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. WADSWORTH. Would the gentleman inform the committee as to the amount of money there would be left for OWI activities in Europe in the event the pending amendment is adopted?

Mr. WIGGLESWORTH. It depends, of course, on how the money is applied. I will answer the gentleman by saying that OWI will have \$12,200,000 for use in the war area in the Pacific, the identical sum it has for the current fiscal year. Then it will have a couple of hundred thousand dollars for its domestic branch. The balance of it will be available in Europe until such time as it is liquidated, any functions that may be determined to be essential being transferred to the State Department or the High Command.

Many of those with whom I talked have urged immediate discontinuance of the entire activity. This amendment does not go that far.

I realize the necessity for a proper informational service, but I think it is absurd to have that service partly in the hands of the OWI, partly in the hands of the OIAA, and partly in the hands of the Cultural Relations Division of the State Department. The whole thing ought to be placed in the hands of one compact, efficient, economical organization operating presumably under the Department of State.

Mr. Chairman, from my standpoint this is a reasonable amendment. It provides funds on the basis of the current year for the war effort in the Pacific and, in addition, sufficient funds for operation in Europe until liquidation and

transfer of essential functions can be effected.

Mr. Chairman, I hope that the amendment offered by the gentleman from New York will be adopted.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I spoke on this amendment earlier this afternoon by asking the gentleman from Ohio whether he proposed to offer it. He said he did not. I anticipated that the amendment would come, but I was not quite sure from whom.

With all the advertising in the commercial realm that we are doing which is regarded as good business judgment on the part of our own firms in order to instruct people concerning things that they already know about, we quibble now over a small sum of money to advertise the real America to the people of the Old World who are so greatly indebted to us and who really know so little about us. As I said earlier today, we may have to forgive and forget our war debts of the First World War so far as monetary balance is concerned, but we do not want to forgive and forget the moral obligation which the people in Europe owe us in terms of appreciation and gratitude for having saved them twice from destruction. How can they appreciate America if they do not know us? How can they know what we have done if we do not tell them in the proper way? Oh, you say that they have seen our soldiers. What percent of the people of Europe have seen American soldiers? Even in France I doubt whether 10 percent of the people know how many soldiers we put in there to drive the Germans back.

We are told that we can let Europe know about America by the ordinary commercial channels. Yes; we can make use of our own daily newspapers and other publications and our own radio broadcasting facilities, as well as through commercial dealings. Do those always present the right picture in the right way? I believe powerful and interested forces have and could again distort the picture. The people of Europe did not understand America the real America, and America did not understand Europe after the last war, therefore a great gulf led to suspicion, ill will, and eventually to hostilities because of misunderstandings between the people of Europe and the people of America.

We cannot afford to let dollar diplomacy enter into this relationship as the main basis of understanding. We cannot afford to permit interested, selfish motives to predominate to shape the destinies of the world, nor represent America by anything but the most high and lofty motives. I want Europe in these dark days to know the real America. I would not have them at any time to gain their information of us solely from the films from Hollywood, nor slanted newspapers from America, nor irresponsible broadcasts from our radio stations, any more than from some of our unrepresentative travelers. I want the truth and the facts presented, together with the good will

toward enslaved nations which America had to throw into this conflict. I want America's attitude and effort duly impressed on the people of Europe properly and effectively and it must be done or the war will have been won by us in vain.

There is a psychological war, as the gentleman from Virginia pointed out, which is more important than the military war, because the military war will have been in vain if we do not get the right attitude toward us on the part of the people of Europe. It is more necessary after the war than during it. That has yet to be done, and that is not the work of the State Department. The State Department is interested in gathering commercial information. We have our foreign agents in every port. We want trade information; that is all right. But we want ambassadors of good will, and we cannot have ambassadors of good will whose sole credentials are the dollar signs on their vestments. We want people who show the true side of America, and that is not entirely a commercial spirit by any means.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from South Carolina.

Mr. RICHARDS. As I understand, the gentleman from Arizona not only wants to get the news about America to those people but he wants to get the ideals of America behind the news to those people.

Mr. MURDOCK. That is exactly it.

Mr. RICHARDS. A news agency's main function is to give the news and not the ideals behind the news.

Mr. MURDOCK. That is true of the most ideal news agency and for that reason we must not rely solely upon ideal news agencies to picture America to Europe during these critical days ahead.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, my good friend, the gentleman from South Carolina, says that there is no one who does not admit that the OWI has done an over-all good job. On the other hand, the gentleman from Arizona quotes an OWI official saying that those countries in Europe do not know what we have done. I fear that the latter statement may be correct and it is a serious criticism of the over-all job of OWI.

There is no question about the importance of carrying our ideals, our views, and our culture abroad. But I have an idea that in this realm, as the old saying goes, "What you do speaks so loudly that I cannot hear what you say." The deeds we have done in Europe speak louder than any propaganda we can put out.

I, too, was in Europe the day the war ended, on May 7. We had just traveled in England, Belgium, France, and Germany. I was also abroad last year, in Britain and north Africa. I had an opportunity to observe what OWI was doing and to talk with OWI and State Department officials and military men on the vast job that needed to be done.

Without going into any criticism of whether the job was done that needed to

be done, let me point out that last year when we appropriated for this agency Europe was a hostile continent. Now we find in Europe at least a nonbelligerent continent and we hope a friendly continent.

Certainly we can cut the amount that this one war agency will spend, in an area that is not at war, by one-half, which is what I understand the cut in this appropriation will mean for the European theater, leaving intact the amount to be spent in the Pacific. We need American propaganda over there, but what we need to do—and it is all through this bill and we might as well face it—is to go ahead with the transition from a war to a peace basis. What we need now in an area where there is no war is to have the military controlling military sources and channels of information, leave one-half of the OWI appropriation still to be spent, to have them wind up, and then have some sort of propaganda ministry, under whatever label we give it, developed through our Department of State. In foreign lands we should have not half a dozen different competing, confused, and duplicating agencies of Government, but have our economic, our political, our social, our cultural, and our intellectual activities headed up under the old-line Department of State. That is, I am sure, what some of our great allies intend to do very shortly. That is what we had better do, or we shall have confusion.

A word has been said about psychological warfare. I investigated that somewhat and met some of the military men who were engaged in that work. It is true that some of their activities had the effect of divisions in battle and caused important surrenders and had other important military results, but that was not just OWI. We have psychological warfare in the Army and in OSS, for which provision is made in this bill. Anyhow, that sort of warfare is over in Europe.

One thing that this amendment does and which I heartily support is to make a drastic cut in the domestic functions of OWI. The cut is \$1,000,000, and leaves but \$297,500 for their domestic work. I believe it is certainly time that this war agency got out of the domestic field. The only way you will get them out is to cut off the money.

I hope that the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I hold in my hand the Federal Treasury statement of June 6. You can see by that statement you are \$241,540,435,090.86 in the red, and you are going in the red by leaps and bounds. You have been doing that for 12 years. Where are you going to get the money? If the time ever comes when you keep this country from going into a financial wreck, it is only going to be because of the foresight and wisdom of the Members of Congress from now on. I feel the President of the United States is going to take that course, and he is going to do what he can. But he cannot do it unless you, the Congress, aid and assist him.

Now we have before us for consideration the Office of War Information. You have \$35,000,000 in this bill. Yesterday the majority of the Members of the House voted to increase their salaries \$2,500—\$2,500. That will require about \$1,500,000. If you cut this one item out here you will save \$35,000,000, or you will save 20 times more than you increased your salaries on yesterday. How the people back home would rejoice in that! Think what a name you can make for yourselves right here. Here is the opportunity, if you ever had it, to show that you did not want to bankrupt this Nation by voting yourselves this salary. Here you can save your constituents more taxes. We are now trying to cut out something that can easily be eliminated and we can save \$35,000,000, thus saving 20 times more than you spent yesterday by voting that \$2,500 increase. Is that not good business? I say it is. I say that is a fine way to demonstrate to the people of this Nation that we mean business and we are going to do business. We are not going to interfere with anybody in the OWI. They can easily get a job today. This country needs more men 10 times over than we can eliminate from OWI. Let us take those fellows and give them other jobs, some place else where it will accomplish some good and thus save \$35,000,000. I say to you that means good business. And if you operate that way the people will give you a lot of credit.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from South Carolina.

Mr. RICHARDS. The gentleman is a fairly successful businessman. How far would the gentleman's business get without legitimate advertising?

Mr. RICH. I will tell the gentleman—if you consider me a good businessman because I have not gone into bankruptcy yet, but am just one step ahead of the sheriff. In our business we cut out everything that is not essential to our business at this time and that is all I want the Government to do in this instance.

Mr. RICHARDS. I heard the gentleman from Pennsylvania was a good businessman.

Mr. RICH. If this were my business I would eliminate OWI at this time as a matter of good Government business. In our business we have eliminated everything that we possibly could during this war to try to do the things we are supposed to do for the prosecution of the war. Now the Government has our industries frozen from now until the 15th of September and we cannot make a thing except as directed for the war effort. And it is going to be for the war effort and things are going to be shipped out more than likely on lease-lend and given to foreign countries. The Government has put the screws on us but we are going to do what is necessary and conform to the rules and regulations laid down by the administration for the carrying on of the war.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from New York.

Mr. TABER. The trouble is, if this amendment is adopted it would throw off the roll thousands who are not doing a thing. That is true, is it not?

Mr. RICH. Why, certainly. We should eliminate this. It is a good business proposition; let us cut it out and cut it out now. I hope you Members here who have been talking about economy in Government will give us a vote. Do not let the votes all come from this side of the aisle. Give us a few votes from your side of the aisle. Let us start economy in Government to cut down on the spending. Be wise and economize.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, if we had followed the argument of my friend the gentleman from Pennsylvania [Mr. RICH] 3 or 4 years ago, all we had to do was to refuse to appropriate a penny and just invite Hitler to come over and take over the country. I wonder where the gentleman's business would be if we had done that. Two hundred and forty-one billion dollars: Yes; to save America; to save our country. The gentleman from Pennsylvania makes an argument and appeals to the unthinking and emotional mind.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield for a question; not for a speech.

Mr. RICH. If you had followed the course which I advocated you would not have been in the hole you are in now.

Mr. McCORMACK. One thing is certain, if we followed the gentleman from Pennsylvania we would never have had lend-lease; we never would have had an extension of the Selective Service; we would not have had all the legislation that we fought for before Pearl Harbor, and without which we would have been in a bad position after Pearl Harbor happened.

Now, let us get to the question involved. The gentleman from New York [Mr. TABER] made an observation which interested me and I wanted to find out just what the situation was. It was a pertinent observation and I wanted to look into it and see where the differentiation was between the Associated Press, for example, and the OWI. The gentleman from New York said the over-all yearly expenses for conducting the Associated Press amounted to \$12,000,000. Whether or not that is correct, I do not know, but I accept it as a correct statement for the purpose of differentiating. The Associated Press is a news service. The Associated Press does not publish or print newspapers. The Associated Press does not engage in broadcasts. The Associated Press does not have a broadcasting station. The Associated Press is not prepared to print and does not print leaflets such as I have here, to distribute in alien territory for the purpose of saving American lives.

I have here a picture which appeared in practically all the papers throughout the country, of a Japanese soldier surrendering, with a leaflet in his hand. That was one of the leaflets of the OWI. Millions of them were flown over in B-29's and dropped upon the people of

Japan. So effective was that, that not so many days ago the people of Japan were informed that if they did not turn in those leaflets, if they responded to those leaflets or were affected by them they would be prosecuted. And prosecution in Japan under such circumstances means death.

Mrs. DOUGLAS of California. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mrs. DOUGLAS of California. And will the gentleman please state that the men who flew those pamphlets over Tokyo were people who belonged to the OWI?

Mr. McCORMACK. Exactly, some of them.

The Associated Press is strictly a news organization, and only in one language. The OWI has 21 languages in Europe and 6 languages in Asia. The Associated Press has no leaflets and no newspapers. They are not fighting a combat or psychological warfare like the Office of War Information.

The radio in OWI is the largest item of expense. The Associated Press does not have that item.

Reference has been made to 12 or 13 scripts. The gentlewoman from Connecticut [Mrs. LUCE] I believe made some reference to them. The gentlewoman's reference was correct, as far as Japan was concerned that day. But the complete information is that every day there are 200 broadcasts going out of the San Francisco office in different languages, not only to Japan but to the Philippines, Burma, Korea, Siam, and the Dutch East Indies and other places in Asia. So that 12 or 13 scripts is correct as to Japan alone, but in addition to that there were 188 other broadcasts going out each day.

As to the OWI in Europe, this comes from a Republican who just came back from Europe, and I read from the CONGRESSIONAL RECORD of May 30, when on that day the gentleman from Illinois, [Mr. DIRKSEN] said:

I went into these offices to talk to the personnel. I find that while some do not agree with me, and while I went with some prejudice in my heart, for instance, toward an agency like OWI, I do want to say for them, and I must say it in candor, and all honesty of purpose, that overseas they have done a good job.

Yet, the gentleman from New York [Mr. TABER] wants to reduce the overseas appropriation from \$31,000,000 to a little over \$16,000,000.

I hope the amendment offered by the gentleman from New York [Mr. TABER] will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL] for 5 minutes.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield for a question?

Mr. VURSELL. I yield.

Mr. CASE of South Dakota. Did the gentleman hear the reference made by the gentleman from Massachusetts to a photograph showing a Japanese surrendering holding a leaflet in his hand?

Mr. VURSELL. I did.

Mr. CASE of South Dakota. The gentleman perhaps has also seen the picture or some reference to it.

Mr. VURSELL. No.

Mr. CASE of South Dakota. I was wondering if there was anybody on the floor who could say whether or not in that particular instance the leaflet the Jap was carrying was prepared by OWI or by the Army?

Mr. VURSELL. That I cannot tell the gentleman.

It has been said repeatedly that OWI has done a very valuable work. There is not any question about that. We have appropriated to it over \$150,000,000 since this war started and naturally we would expect a pretty fair job of work for \$150,000,000. A better job could have been done for half the money. But there comes a time when the honeymoon of the OWI, like the OCD, and like many others of these alphabetical agencies will have to come to a close.

There is no one in this Congress who wants to deny to OWI any money they really need in order to help win the war or in order to help give the right impression of the American system of government to the world at large; but as our activities overseas come to a close to a certain extent then naturally we must begin to deflate this organization. It has been said a few times that the proceedings of Congress should be broadcast to the people of the country. Many, many times we Republicans have tried to protect the taxpayers, tried to reduce appropriation items by hundreds of thousands and millions of dollars and reduce the thousands and thousands of jobs that are like leeches on the economy of the country in the interest of the taxpayers, and we find a solid phalanx almost on the Democratic side of the House voting for the continuation of these organizations, never ready to let loose, wanting to keep them.

The thought has come to me that if we were to cut \$5,000,000 from the OWI fund in this bill and establish a broadcasting system here in the House of Representatives to carry the proceedings of Congress to the people of this country that we would get a Republican Congress here and quite probably a Republican administration 2 years from now, because the people back home would then understand that the Republican are trying to protect the taxpayers of this country here on the floor of Congress. That the Democrats want to continue to expend and waste their money. Thousands are employed by OWI who are not needed.

Let me point out another thing: The Reader's Digest, Time, Life, Fortune, and many other splendid magazines of world-wide circulation are constantly carrying the news of America all over the world. We have the Associated Press service, the United Press reaching all parts of the world. With these press services and the millions of copies of our great magazines reaching the farthestmost part of the earth the American ideals will be brought to the people of the world much better than by anything the OWI could do. Do you know that the Reader's Digest sends out 800,000 copies printed in the Spanish language? Do you know that the Reader's Digest sends out 400,000

printed in Portuguese? They send 300,000 copies of every issue to London and they expect to increase it to 750,000 as soon as they can get the paper. They send 300,000 copies to Sweden. By these means all over the world we can carry the ideals of the American form of government.

We ought to deflate OWI at this time. These agencies will never be ready to quit. They will never quit till we in Congress stop their pay. They are having too good a time all over the world spending and wasting the people's money. Will not you on the Democratic side join with we Republicans and help save our taxpayers \$17,500,000 by passing this amendment?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Missouri [Mr. CANNON], for the balance of the time.

Mr. CANNON of Missouri. Mr. Chairman, the speaker who preceded me—and I think he is supported in that view by all who spoke in support of the amendment—says that their purpose is to save money. Our purpose is to save lives.

I do not know just how much those lives are worth. I do not know whether the life of one boy is worth \$30,000 or more, or less. But I do know that we are saving a vast number of lives through the instrumentality of this agency, and the testimony upon that point before the committee was indisputable.

If anyone cares to turn to page 960 of the hearings, it will be noted there that official Army reports show that more than 70 percent of the prisoners taken on the western and Mediterranean fronts had been influenced to surrender by the leaflets produced by OWI and their military colleagues. It would be difficult to estimate the cost, in the blood and lives of our men, of having to take that percentage of enemy soldiers by grenade and bayonet attacks. Someone said here in debate that when our boys got back and took off their coats they would criticize the expenditures of OWI. I wonder what will be the attitude of these boys, to whom these Japs surrendered, when they get back.

But let us take the purely dollars-and-cents point of view suggested by the proponents of this resolution. Here is the statement made by a witness before the committee at page 963 of the hearings:

If we shorten the war by only a few days the savings to the Government in dollars alone—not to mention lives—will be enough to cover the Office of War Information's entire budget. And it is our confident belief that these activities may speed Japan's surrender by months.

As everyone knows, the next 3 months are critical in the Japanese war. Either Japan—staring inevitable defeat in the face and anxious to salvage something from the wreckage—will surrender, or she will elect to go ahead in a war to the death. In such a crisis, psychological warfare is indispensable. Without it we cannot hope to shake enemy morale to the point of unconditional surrender.

What is the alternative? We have the answer in the reports received in the last few days from Okinawa. That island is a narrow strip of land a hundred miles

long and approximately 8 miles wide. Our ships shoot entirely across it. Our naval guns have pulverized it. From the clouds we have dropped a greater tonnage of explosives than on any other similar area in the war. And every time we land, Japs pour forth from caves to inflict the most terrible losses suffered by our men in the Pacific war. We opened attack on this pin-point island in the Pacific March 16, and we have not taken it yet. If it requires that much ammunition and that much time and that staggering loss of life, what can we expect when we land in Japan proper—or on the mainland of China where the Japanese Government has 7,000,000 trained soldiers?

We are told on high authority that it will take 2 years at a minimum. And I hesitate to estimate what it means in casualties—our neighbors' boys and ours. And yet there are people on this floor who prefer to rely on their own judgment than on the judgment of the Army commanders. Confronted with this terrible alternative, we cannot take anybody's judgment—certainly we cannot take anybody's guess—that further psychological warfare which has produced results in the past, is unnecessary—or should be reduced. To do so would be gambling with the lives of American soldiers.

For example, here is a statement by Brig. Gen. Bonner F. Fellers, military secretary to General MacArthur, made by General MacArthur's direction:

General MacArthur is a firm believer in psychological warfare. He has placed our activities directly under his personal direction. As you all know, he has practiced psychological warfare in all his operations. He has high hopes for the results which we may be able to achieve in the future.

Whose opinion will you accept—opinions by the political generals and admirals who have spoken here on the floor this afternoon—or the considered statement of General MacArthur?

The lady from Connecticut spoke just now. Her testimony was at direct variance with that of Congressman DIRKSEN, who has returned from abroad where he visited every theater of war and who warmly endorsed the work of OWI on every front he visited, and who emphatically endorsed this appropriation of \$35,000,000 for OWI.

The lady from Connecticut based her entire argument on one point—the fact that 13 scripts, which she described in detail, constituted one day's broadcast from the San Francisco office. If I have misquoted I ask to be corrected.

As a matter of fact, the request which elicited the information on which the lady's speech was based was for "all of the Japanese language broadcasts" for that day. There were 13 Japanese language broadcasts on that day, and in compliance with the request, the 13 scripts to which she referred were delivered as requested. But the Japanese broadcasts were only a small part of the total broadcast for the day. The San Francisco office, on that same day, broadcast in 22 languages and dialects. So, the 13 scripts which the lady characterized as the total day's work constituted only a fraction of the work for the day.

The daily reports from the San Francisco operations show an average of approximately 1,275 radio broadcasts a week from that office. The lady was imposed upon. But I hope the House will not be imposed upon.

I trust the amendment will be defeated and we will still be able to use every resource at our command in support of the Pacific expedition.

Mr. Chairman, we must defeat this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 91, noes 94.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. TABER.

The Committee again divided.

The CHAIRMAN. The Chair votes in the negative.

On this vote by tellers there are 106 ayes and 106 noes. The amendment is rejected.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 15, line 21, after "certified", strike out the period and insert a colon and the following: *Provided*, That none of the funds herein appropriated shall be used to pay the salary or expenses of any employee of the Office of War Information for functions thereof in the Western Hemisphere other than the United States."

The amendment was rejected.

The Clerk read as follows:

For all expenses necessary to enable the disposal agencies designated by or pursuant to the Surplus Property Act of 1944 to carry out the disposal functions vested in them by or pursuant to said act, including the objects authorized under the appropriation for the Office of War Mobilization and Reconversion, \$40,000,000, to be for allocation or reimbursement by the Surplus Property Board, with the concurrence of the Director of War Mobilization and Reconversion, to such agencies in such amounts as shall be approved by the Bureau of the Budget, including, in the case of Government corporations, reimbursement for expenditures incurred by them during prior fiscal years in connection with the disposal of surplus property under said act and under Executive Order 9425: *Provided*, That these funds shall be available only for expenses incident to the care, handling, transfer, and other disposition by a disposal agency of property other than that under its control as an owning agency as defined in said act and expenses of other Government agencies designated by the Board to render special advisory service in connection therewith: *Provided further*, That the provisions of section 203 of the Independent Offices Appropriation Act, 1946, restricting the availability of appropriations for the purchase, maintenance, or operation of aircraft, shall not apply to expenditures incident to the disposal of aircraft under the authority of the Surplus Property Act of 1944 (act of October 3, 1944, Public Law 457). The appropriation, "Surplus property program," in the amount of \$14,999,000 carried under the heading "Procurement Division," in the Treasury Department Appropriation Act, 1946, is hereby transferred to and consolidated with this appropriation and the

limitations contained in such transferred appropriation shall be applicable only to such amount of \$14,999,000.

Mr. DE LACY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have risen to state briefly on this floor my regret that a handful of members on the Appropriations Committee and the Rules Committee have deprived us of an opportunity to vote for or against a basic measure which a majority of the people favor, the Fair Employment Practices Committee, and which the President of the United States has asked us to include in our appropriation. I regret this situation exceedingly. The people of the country will have a very difficult time understanding how in a free country the elected representatives of the people have no opportunity to cast their ballot on this important measure.

I yield back the remainder of my time.

Mr. COLMER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have sat here for 2 days listening to another small, willful group lambast certain committees of this House and repeatedly state the self-asserted opinion that certain committees are preventing a majority of the people of this country from expressing their will.

I have been around this House now for a little longer than the gentleman from Washington [Mr. DE LACY], and some others who have made those assertions, and it has been my observation that the will of democracy has been working pretty well.

Mr. DE LACY. Will the gentleman yield at that point?

Mr. COLMER. I am sorry. I am not yielding right now.

Mrs. NORTON. Will the gentleman yield?

Mr. COLMER. I am sorry. I am not yielding right now.

This country has been getting along pretty well for 150 years under the democratic form of government under which we have been operating and we do not need to change that form now. I know there is a certain group in this House who have set themselves up as more powerful than the regularly constituted majority on this side—Democratic.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. COLMER. And the regularly constituted minority on the other side—Republican.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Mr. Chairman, I have said as politely and as courteously as I know how that I was not yielding now.

We have been operating pretty well. Now, I challenge the statement that a majority of the people of this country want this legislation which this little group is trying to put across. There have been a great many statements made here about that. I want to say to you that when the people of this country wake up to a full realization of what you are trying to do to them there will be no question about what the will of the majority of the people of this country is. You talk about regimentation of the people; you talk about Government bureaucracy; if this

unfortunate scheme goes through you will see regimentation and bureaucracy, the like of which has never happened.

Let me say to you that that type of legislation will not and cannot successfully operate in a democratic form of government such as we have. It has a place in but one form of government and that is a national socialistic state. I say to you that the principle is the same as that used by Hitler and Mussolini. I agree with you that the objectives sought are diametrically opposite, but the principle is the same. Hitler and Mussolini said you could not hire certain types of people, among whom were Jews. Under the scheme you propose employers would be forced to employ persons whom they did not want. That is not democracy.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to address the House for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mrs. NORTON. Mr. Chairman, I object.

Mr. HOOK. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I doubt whether I will take the 5 minutes, but I just want to rise to answer a few of the statements that have been made.

We talk about Hitler and Mussolini. During the time we were fighting Hitler and Mussolini, the Fair Employment Practice Committee brought into the war production program many thousands upon thousands of American citizens to produce the weapons of war to defeat Hitler and Mussolini that would not have been brought into the program had it not been for the FEPC. The Fair Employment Practice Committee has done a fine job in helping to defeat Hitler and Mussolini. The war is not over. They are ready and willing to help defeat Hirohito and the Japanese also.

Talk about fascism! Talk about Hitlerism! If the right to a job is not the right of every American citizen, if we are going to say to certain American citizens that because you are Catholic, because you are Protestant, because you are white, because you are black, you are not going to have a fair chance to a job in this Nation, we will have established fascism in this Nation. Our cry of democracy will be a mockery. What is that but what Hitler said in Europe when he said, "The Jews cannot remain in this nation"? What is the difference? I say to you, if we are going to have America and have democracy in America, let us have democracy for all, not for a few; and let us not forget that the very group that is being discriminated against, the group the Fair Employment Practice Committee is trying to protect, has sent their sons across the sea, and they have spilled their blood in defense of the United States of America, in defense of the Star and Stripes; yes, in defense of the democracy we are trying to protect, and that our boys are dying day after day in order to protect. Let us be fair, let us be honest; if we are for democracy, then let us stand up and fight for it. If you are against democracy then do not

give us a chance to vote for or against the FEPC appropriation on the floor of this House. If democracy is to be respected on the floor of this House, then show that respect by being men of integrity by being honest and deciding this question in the democratic way; let this House decide whether or not it wants the Fair Employment Practice Committee provision in this bill. But if you do not want democracy, if you do not want the Members on the floor of this House to decide, then object to the amendment if it is offered. That will be the real test of your belief in democracy.

The CHAIRMAN. The time of the gentleman from Michigan has expired. By unanimous consent, the pro forma amendments were withdrawn.

Mr. POWELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is not much future for any people when they lose their ethical integrity. There is not much future for any people who make a promise and then break that promise. I rise as objectively as possible to say just one or two things in reply to the gentleman from Mississippi who said that "another small group" in this House is trying to exert its power. I do not know what he means by a "small group"—there may be "another group."

We have been operating here for 150 years as a majority and minority, and we are still operating that way. But we are not operating on the basis of majority and minority when any handful prevents free discussion of any matter affecting the American people.

The gentleman from Mississippi said he challenged the statement that "the majority of the people of this Nation are for this type of legislation." There is only one way the American people meet a challenge, and that is in the open. The people of Germany and Italy meet challenges in the dark. If he challenges that statement, let us meet the challenge in the open, unless he believes in the doctrines of Mussolini and Hitler. Why are we keeping this from coming out in the open if we are not afraid that maybe the majority is in favor of it?

No one person represents this Government and no one group represents this Nation. This is a Government of a majority and minority of the people, black, white, Protestant, Catholic, Jew and Gentile, and the only way an issue can be decided is when the people themselves stand up and decide it for themselves. Abe Lincoln said there is only one government that would never perish from the earth and that is a government of the people. Let us have a government of the people. During the crisis in the war period we called on the manpower of this Nation irrespective of color to man the machines of production. Now that victory is here, we are shutting the doors in their faces. That is immoral and unethical. That is sabotaging democracy.

Mr. Chairman, I challenge the gentleman from Mississippi and all others, if they believe this is a democracy and believe they are in the majority, let us come out in the open and let us decide which is the winner. Let us get on with the

business of winning the war and the peace—a people's peace. Let us support our President and Commander in Chief and pass a permanent FEPC.

Mr. DOYLE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am not going to speak on the merits or lack of merits of the FEPC bill at this time. But I feel impelled to say that as a baby Member of this great legislative body during these last 6 months, it is a shocking experience for me to learn that there is in this House a method or system whereby a few members of our Rules Committee can prevent debate and discussion on the floor of this great legislative body, even after another duly constituted and empowered committee, in full performance of its duties and its responsibilities, has reported a bill favorably out of committee by a unanimous or almost unanimous endorsement, as was the case in point with the Labor Committee on this FEPC bill.

I repeat, I am not here discussing the merits of this bill. I am not criticizing any person or persons. I criticize as dangerous to democratic processes any system whereby a minority controls the will of a majority to the extent obtaining in this House in a situation such as this. I am speaking against a system which I discover as a baby Congressman, which here permits a few members of our Rules Committee to stifle and choke and actually prevent a democratic opportunity to this great House for debate on a measure after a duly constituted committee of this House reports favorably for it to be considered by the Members of this House.

Surely the Rules Committee cannot possibly ever be as fully informed or advised on every bill coming from every committee of this House as is the respective committee itself on the measure for which it is expressly responsible. It would be foolhardy to expect one committee of this House to know as much as all of the committees of this House on subjects considered by all the committees. With due respect to the distinguished Rules Committee members, I know that they do not claim any such unlimited intellectual attainments. Yet, gentlemen, merit should be the controlling factor in all cases; and nothing bordering on less than merit must control.

What is the reason why it is safe and sound and according to democratic processes, that a bill should be disallowed presentation to the floor after it has almost unanimous approval for debate by a committee of this House? I recognize a clearance or a calendar committee has to be in control of time and orderly processes in order to facilitate presentation of legislation asked to be considered by the various committees. But gentlemen, is it not destructive of democratic processes for the Rules Committee to have power to absolutely deny, within itself, debate opportunity on a bill, merely because it differs from the opinion of the committee which may have voted almost unanimously to have the bill come to the floor of the House?

Is this not a case where our system allows a minority to control an informed and responsible majority? I speak

against any such system as un-American in its essence and destructive of democracy in its results.

I ask that this great legislative body be given an opportunity to discuss and debate and decide this bill on its merits and every other measure too, which is reported out of any of the duly constituted committees of this great legislative body. I repeat, I criticize no person. I simply condemn a system I find existing and which I believe inherently destructive of American democratic processes.

Nor is the fact that it has been the system used for a long period justification of its continuance. If some Members feel that I, as a recently made Congressman, have not yet had ample opportunity to learn by experience, may I emphatically say to you that it does not take very long for a person to see the undemocratic nature of this particular system which I speak against.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Am I to understand that the gentleman is indicting his own party, which has 245 Members in this House, and has 8 members on the Committee on Rules out of a committee membership of 12; is he indicting his own party?

Mr. DOYLE. I will say this to the gentleman, that I am indicting a system which I discover makes it possible for a few members of our committee to defeat an almost unanimous report of a great committee of this House after that committee has studied it for several weeks, and is in full possession of the facts and is charged with acting in a responsible and intelligent manner.

No; I am condemning the system which weakens democratic processes for which I will always speak out and defend.

I speak for an opportunity in the American way to have this House membership hear the report of its own committee. Let the House itself decide the merits of the bill; the House is qualified and entitled to this opportunity. To refuse it is dangerous and destructive to legislative progress.

I am aware that the right of petition prevails in this case and that a majority of this House can call this bill from the table of the Rules Committee. But, I find also that it is almost a practical impossibility to succeed in so doing. It places an unnecessary and unjust handicap and dead weight upon legislative processes to place it in that position. It can easily result in a denial of the just and reasonable processes of democracy. Besides, why should a few on our committee have the power of placing legislation from another committee under that almost impossible burden to overcome?

I may not agree with you in what you say, but I will fight to the finish to get you the American right to say it. This, gentleman, is the democratic process for which I briefly speak.

Mr. WOODRUM of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think there are one or two things that ought to be said about the system. I am not particularly concerned either about the merits or the demerits of the bill which has been reported. I would not vote for it if it came out on the floor because I do not think it would accomplish the purpose which its proponents hold out for it. But that does not concern me.

I am concerned somewhat and I have been concerned by the repeated statements that have been made on the floor of the House that there is some sort of legislative legerdemain being practiced by the Committee on Appropriations and the Committee on Rules which keeps some piece of legislation from being considered and acted upon. Let me say this to you, that the Committee on Appropriations carried this item several years when it was not authorized by law. We brought it here. We let the House act upon it and the House acted upon it. I voted for it. I defended it upon the floor. But after a legislative committee reported the bill and after the Committee on Rules refused to clear it, after a direct issue was raised upon it, then the Committee on Appropriations had no right to bring it to the floor.

Let me say this to my friend, the baby Member of Congress. Twenty-four years ago when I came here—and I sympathize with just how he feels today—I remember how indignant I was when there was a certain piece of legislation that I thought ought to pass, and the chairman of the Committee on Rules—and he was then a member of the party on this side of the aisle—Mr. Phil Campbell, walked around with a rule which had been reported out by the Committee on Rules in his hip pocket, and he would not even call it up, even though the Committee on Rules had granted the rule. Every 2 years after that, until almost the last couple of terms of Congress, we annually had a show here on the floor. The great parliamentarian from Georgia, Mr. Crisp; the great parliamentarian from Tennessee, Finis Garrett; the great gentleman from Michigan, Carl Mapes; the great gentleman from Iowa, Mr. Ramseyer, among other celebrated persons, debated this question of the discharge rule. I remember one thing that Mr. Crisp, one of the greatest parliamentarians who ever sat in this House, said, and I give it to you today, "If you think we have a bad system, gentlemen, remember this: This House never gets into any kind of a situation where it cannot work its will if a majority of the Members of the House wish to do it."

Now ponder that if you will. Any day that a majority of the Members of this House wish consideration for this bill it can be brought up for consideration and debated and acted upon. There is a petition on that desk, and I want to say to my good friend from Wisconsin who tries to make politics out of this, I suggest that you read that petition. There are 125 names on it, or there were a few minutes ago. Any day that the House wants to consider this legislation it can take it away from the committee. So there is a way, there is a legitimate, parliamentary way. And though we may get caught

some time when we cannot get our pet bill up, remember this, there has never been any parliamentary system under any democracy that has given the people and their elected representatives as much freedom, as much absolute security, as the system under which we live.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise not to engage in any controversy as to whether or not the rules of this House provide for the will of the majority to be exercised. I do not want to enter into that broad discussion, because we have something very specific before us. The gentleman from Virginia—and if I misunderstood him I will yield to him to correct me—gave the impression that the Committee on Appropriations was ready to recommend an appropriation for this FEPC agency, but that when it was informed that the Rules Committee would not grant a rule waiving points of order to all of the items in the bill because of the existence of this particular item, the Appropriations Committee retreated and did not make the recommendation for an appropriation for the FEPC agency. Was that the gentleman's statement?

Mr. WOODRUM of Virginia. The gentleman did not exactly understand me correctly. I said that the Appropriations Committee, after it ascertained that the Rules Committee would not give a rule for the consideration of the bill which had been reported from the Labor Committee, never seriously considered reporting this item after the issue had been drawn in the Rules Committee. The OPA, I may say to the gentleman, is in exactly the same situation.

Mr. MARCANTONIO. Therefore, the gentleman now contends that the Committee on Appropriations took the position that it would not recommend the appropriation for the temporary FEPC set up under the Executive order, simply because the Committee on Rules had pending before it a proposal for permanent legislation. But we were informed yesterday, may I say to the gentleman from Virginia, by the distinguished chairman of the Appropriations Committee that the recommendation of the appropriation for FEPC was not repeated this year because the gentleman from Missouri, the chairman of the committee, had received information to the effect that if FEPC were included in this war agencies appropriation bill the Rules Committee would not grant a rule waiving points of order to the other items in the bill.

The gentleman will have to concede that, if that statement is correct, then we are no longer permitting the will of the majority of this House to be exercised. Then the gentleman, with all of his great knowledge of the rules of the House, will have to concede that that is accepting dictation from the Rules Committee on the part of the Committee on Appropriations. You just cannot get away from it. What happens to the exercise of the will of the majority of the House under the circumstances I have just recited?

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman, who is so much interested in this matter, might have given the House an opportunity to work its will today had he objected to the ordering of the previous question and voted down the previous question on the rule. Then the rule could have been amended.

Mr. MARCANTONIO. I will tell you why we did not do that, because we did not want to give some more people who are supposed to be friends of the FEPC another alibi to stab us in the back; that is all.

Mr. CASE of South Dakota. It would have given you the opportunity to have a direct vote on it if you had voted down the previous question.

Mr. MARCANTONIO. Mr. Chairman, I decline to yield. I want to complete my answer. The gentleman himself asked for it and now he is going to get it. If we had asked for a vote on the previous question it would not have been accepted by those who only pretend to be friends of FEPC as a direct vote on the direct and square issue of an FEPC appropriation or no FEPC appropriation, oh, no, it would simply have given them an opportunity to say, "Oh, yes, I am for the FEPC but I believe in protecting the rule that has been reported out by the Committee on Rules and my refusal to vote down the previous question does not mean that I am against the FEPC. It just means that I want to stand by the Rules Committee." So that would have been used as another alibi by those who pretend to favor FEPC but who have failed to support any move that has been made in behalf of FEPC. We are sick and tired of these alibis and we are not going to have any more created to be used by those who pretend to be for FEPC, but who will do nothing to help it. Therefore, in answer to the gentleman from South Dakota, the reason why we did not force a vote on the previous question is that we did not want a defeat on that collateral issue to be used by the enemies of FEPC as a test of strength on the issue of FEPC when we know that on a show-down on FEPC we will receive a majority. That is why we insist that you give the House an opportunity to vote directly on the FEPC issue.

Mr. CHELF. Mr. Chairman, will the gentleman yield? The gentleman's attitude is the reason why you do not have any more votes and the reason you have not got any more signatures on the petition.

Mr. MARCANTONIO. Let us vote on the FEPC bill and you will see how many votes we have.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. Mr. Chairman, is it or is it not in order under the rules of the House that gentlemen upon a motion to strike out the last word may discuss matters which do not relate to the last

word or to any subject matter contained in the bill?

The CHAIRMAN. In the consideration of a bill of this nature, those gentlemen who obtain the floor by offering a pro forma amendment are supposed to discuss matters relating to the bill. The gentleman from Oklahoma will proceed in order.

Mr. TARVER. Then, Mr. Chairman, I will make a point of order hereafter, because this subject matter has been fully discussed, that every gentleman addressing the House under a pro forma amendment shall confine himself to the subject matter of his amendment.

The CHAIRMAN. The gentleman from Oklahoma will proceed in order.

Mr. MONRONEY. Mr. Chairman, I thank the gentleman from Georgia for his suggestion.

I take the floor to discuss the smallest, tiniest item in this appropriation bill. This bill appropriates \$796,000,000, and the amendment that I wish to discuss is one in which the House in its haste struck out, I believe ill-advisedly, a total amount of \$196,000.

I speak of the amendment that cut out the Office of Economic Stabilization. I am certain the Members of the House did not realize that they were pulling out the connecting pin which has held the dam against inflation. Under the Stabilization Act of October 2, 1941, we directed the President to set up an office to control the forces of inflation.

The only agency of this Government that can protect this Nation against inflation at the most vital connecting point is the Office of Economic Stabilization. That is the point where wages and prices come together. You have control over prices in the Office of Price Administration. You have control over wages in the War Labor Board.

But the only place that those two can be geared together and connected, to be sure you do not have an unlimited cycle of inflation, is in the Office of Economic Stabilization.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. In just a moment I will yield.

You abolish today by the adoption of this amendment the office that Judge Fred Vinson held up until 2 months ago. I do not think I need remind you what a valiant fight he made against all kinds of economic pressure, both on the labor front and on the price front, to resist a run-away of prices during this critical period. Yet the amendment today abolishes the Office of Economic Stabilization.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. TABER. Does not the gentleman realize that the Office of War Mobilization and Reconversion has that authority and Judge Vinson is taking the whole thing over to work on it?

Mr. MONRONEY. I beg to differ with the gentleman from New York, because Judge Vinson cannot possibly handle the vital work of reconversion and war mobilization, and do the work on price control and economic stabilization as well. It is a physical impossibility to do it.

The gentleman knows that Judge Vinson was succeeded by Mr. Davis, of New York, who has endeavored against all kinds of different pressures to hold the line against inflation. This appropriation is \$196,000, the tiniest one in this bill, yet we have blissfully appropriated \$796,000,000 in this bill, and now we are trying to hit a gnat.

When you are hitting at a gnat-sized appropriation, bear in mind that you are pulling out the pin that is holding the dam together against the devastating tide of inflation. The cost of the amendment to the Nation will be billions of dollars.

We will ask for a roll-call vote on this very ill-advised amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR

WAR RELOCATION AUTHORITY

Salaries and expenses: For all necessary expenses of the War Relocation Authority, \$25,000,000, including expenses incident to the extension of the program provided for in Executive Order 9102 to persons of Japanese ancestry not evacuated from military areas and the administration and operation of the emergency refugee shelter at Fort Ontario, N. Y., provided for in the President's message of June 12, 1944, to the Congress (H. Doc. 656); salary of the Director at not to exceed \$10,000 per annum; employment of aliens; not to exceed \$20,000 for the employment of persons or organizations, by contract or otherwise, without regard to the civil-service and classification laws; traveling expenses, not to exceed \$313,200; reimbursement, at not to exceed 3 cents per mile, of employees for official travel performed by them in privately owned automobiles within the limits of their official stations; printing and binding, not to exceed \$14,900; procurement of supplies and equipment (with or without personal services); the leasing to others of land acquired for the program; purchase of uniforms for internal-security officers; transfer of household goods and effects as provided by the act of October 10, 1940, including travel expenses, of employees transferred from other Federal agencies to the Authority at its request; not to exceed \$10,000 for payment to States or political subdivisions thereof, or other local public taxing units, of sums in lieu of taxes against real property acquired by the Authority for the purposes hereof; for payments for the performance of governmental services required in connection with the administration of the program; the disposal, by public or private sale, of goods or commodities produced or manufactured in the performance of activities hereunder, the proceeds of which shall be deposited in the Treasury as miscellaneous receipts; *Provided*, That the provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits, shall apply to persons receiving from the United States compensation in the form of subsistence, cash advances, or other allowances in accordance with regulations prescribed by the Director of the War Relocation Authority for work performed in connection with such program and, effective August 5, 1944, in connection with the administration and operation of such emergency refugee shelter; *Provided further*, That this provision shall not apply in any

case coming within the purview of the workmen's compensation laws of any State, Territory, or possession, or in which the claimant has received or is entitled to receive similar benefits for injury or death; *Provided further*, That the Secretary of the Interior may delegate to any official in the War Relocation Authority the authority to make appointments of personnel and he may also delegate to any official in the War Relocation Authority the authority to make other determinations necessary for the conduct of administrative management within the Authority; *And provided further*, That the limitation placed on the amount available for travel expenses for the War Relocation Authority shall not apply to travel of evacuees and their escorts incident to transfers and relocation.

Mr. DWORSHAK. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DWORSHAK: On page 33, line 18, after the second word "expenses", insert "for the liquidation by January 1, 1946"; and in line 19, after the word "Authority", strike out "\$25,000,000" and insert "\$20,000,000."

Mr. DWORSHAK. Mr. Chairman, I realize the House is growing impatient at this late hour, but I ask your indulgence to explain the objectives of my amendment.

Under Executive Order No. 9102, the War Relocation Authority was created by the President in March 1942. On December 17, 1944, Major General Pratt, of the Western Defense Command, issued Public Proclamation No. 21 revoking the exclusion order which had been issued shortly after Pearl Harbor, and which was responsible for the creation of the War Relocation Authority. That was last December. There is no reason why this agency—which has done a fairly efficient job in the handling of Japanese evacuees on the west coast—should not liquidate its affairs within 6 months and discharge those Japanese, who are American citizens, so that they may return to their respective States or be relocated elsewhere in the United States, without unnecessary delays.

In December 1944, Secretary Ickes made the statement that there would be early liquidation of the relocation centers which were established originally for the temporary maintenance of a dislocated people. I want to call your attention to page 269 of the hearings on this bill. There you will find that Director Myer said that all of the camps will be liquidated in December of this year. The committee report further states that, during the last 6 months, from January 1 to June 30 of the fiscal year 1946, there will be no evacuees in the relocation centers in the West. Still, the Budget requests, as outlined on page 269 of the hearings, during a period of 6 months, or from January to June of 1946, a total of \$7,000,000 for operation of this agency. I ask you why the War Relocation Authority should be allowed to spend \$7,000,000 when there will be no evacuees in relocation centers?

I want to point out that the longer the Japs remain in idleness in these relocation centers the more difficult will be their relocation when they are discharged and permitted to return to their former

homes or elsewhere in the United States. We have an acute manpower situation. These Japs are American citizens. The Japs who were considered dangerous to this country, or who have expressed a desire for repatriation, have already been removed to the Tule Lake camp in California, and the records of the other Japs have been scrutinized. They are American citizens and under the law there is no reason why they should be detained in these camps for a year after revocation of the exclusion order. Why should not all of these Japs—except those at Tule Lake—be released, instead of drafting our American boys from farms in the West—while the Jap evacuees are loafing in these camps because there is no authority now for giving them temporary leave which would enable them to relieve the labor situation on the farms and in the industries of the West? It is time we closed down this particular agency and released this manpower which is so sorely needed by our country in wartime.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, the bill, as written, provides precisely the same program as that proposed by the gentleman's amendment—liquidation of the Authority by January 1, 1946. The only difference is he would provide \$5,000,000 less to complete the program. Of the amount proposed more than \$7,000,000 is necessary to pay railroad fare and expenses of liquidation. An additional seven million is required to pay the cost of the Tule Lake center for a full year and turn it over to the Department of Justice. The remaining amount must bear the cut proposed by the amendment, so the reduction would amount to 50 percent. This is a large organization built to furnish all requirements for more than 110,000 people—including housing, food, medical care, schools—and more than 40,000 still await relocation. It takes time to move such a large group of people and to dispose of these large quantities of machinery and equipment. The committee, after careful consideration, is convinced that the amount proposed is the irreducible minimum with which it can be done.

Liquidation is proceeding with efficiency and dispatch. The program should not be interrupted or disorganized. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. DWORSHAK].

The question was taken; and on a division (demanded by Mr. DWORSHAK) there were—ayes 95, noes 113.

So the amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: Page 35, after line 24, insert the following new paragraph:

"Fair Employment Practice Committee: For all necessary salaries and expenses, \$599,000."

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment is not germane, it is not in order on this bill, it is legislation on an appropriation bill and it is not authorized by law.

The CHAIRMAN. Does the gentleman from New York [Mr. MARCANTONIO] desire to be heard?

Mr. MARCANTONIO. Briefly, Mr. Chairman.

Mr. Chairman, without conceding whether or not the amendment is in order, it has been offered for the purpose of completing the record and, also, may I point out that we would have had an opportunity to debate this particular amendment if no point of order had been made.

The CHAIRMAN. The Chair understands the gentleman concedes the point of order?

Mr. MARCANTONIO. Mr. Chairman, I do not concede the point of order.

The CHAIRMAN. The point of order is well taken. It is legislation on an appropriation bill and not authorized by law. The point of order is sustained.

The Clerk read as follows:

GENERAL PROVISIONS

Sec. 102. The appropriations in this act for salaries and expenses shall be available, in addition to the objects specified under each head, and without regard to section 3709, Revised Statutes (except as otherwise specified herein), for personal services in the District of Columbia and elsewhere; contract stenographic reporting services; lawbooks, books of reference, newspapers and periodicals; maintenance, operation, and repair of motor-propelled passenger-carrying vehicles; acceptance and utilization of voluntary and uncompensated services; and traveling expenses, including expenses of attendance at meetings of organizations concerned with the work of the agency from whose appropriation such expenses are paid.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON of Missouri: Page 36, line 4, after the comma, strike out the remainder of line 4, all of line 5, and line 6 to and including the comma.

Mr. CANNON of Missouri. Mr. Chairman, this is merely a clarifying amendment, and I ask for a vote.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3363, making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, had directed him to report the bill

back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. CANNON of Missouri. Mr. Speaker, I ask for a separate vote on the amendment to page 6, line 17, Office of Economic Stabilization.

Mr. MARCANTONIO. Mr. Speaker, I demand a separate vote on the Lea amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 6, line 17, strike out lines 17 to 26, and on page 7, strike out lines 1 to 3.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, when a separate vote is demanded on several amendments, does the vote come in the order in which the separate votes were demanded or in the order in which the amendments appear in the bill?

The SPEAKER. Since the question has been raised, the Chair thinks that, when a separate vote has been demanded on several amendments, the amendment which appears first in the bill should be first voted upon.

The Clerk will report the so-called Lea amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 4, line 1, after the word "persons" strike out the period and insert a colon and the following: "Provided further, That no part of the funds appropriated in this paragraph shall be used in connection with investigation, hearings, directives or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 176, noes 49.

Mrs. NORTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 6, line 17, strike out lines 17 to 26, and on page 7, strike out lines 1 to 3.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 100, noes 113.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with an amendment reducing the Office of War Information by \$17,000,000, to apply to the estimates for activities in Europe and the United States.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 120, noes 108.

Mr. CANNON of Missouri. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 138, nays 128, not voting 166, as follows:

[Roll No. 102]

YEAS—138

Abernethy	Graham	Morrow
Adams	Griffiths	Michener
Allen, La.	Gross	Miller, Nebr.
Anderson, Calif.	Gwynne, Iowa	Mundt
Andrews, N. Y.	Hale	Murray, Wis.
Arends	Hall	O'Hara
Arnold	Edwin Arthur	O'Konski
Barrett, Wyo.	Halleck	Phillips
Bates, Mass.	Hancock	Pittenger
Bell	Harness, Ind.	Poage
Bennett, Mo.	Henry	Ramey
Bolton	Herter	Rankin
Boykin	Heselton	Reed, Ill.
Bradley, Mich.	Hill	Rees, Kans.
Brehm	Hinshaw	Rich
Brown, Ohio	Hoeven	Rizley
Buffett	Hoffman	Robertson,
Butler	Holmes, Mass.	N. Dak.
Case, S. Dak.	Holmes, Wash.	Robson, Ky.
Chenoweth	Hope	Rockwell
Chipperfield	Horan	Roe, Md.
Church	Howell	Rogers, Mass.
Clevenger	Hull	Schwabe, Mo.
Cole, Kans.	Jenkins	Schwabe, Okla.
Corbett	Jennings	Scrivner
Cox	Jensen	Short
Crawford	Johnson, Ill.	Simpson, Ill.
Cunningham	Jones	Smith, Wis.
Curtis	Jonkman	Springer
Dolliver	Judd	Stevenson
Dworshak	Kearney	Stockman
Elliott	Keefe	Sumner, Ill.
Ellis	Kilburn	Sumners, Tex.
Elston	Kinzer	Taber
Engel, Mich.	Knutson	Talbot
Fenton	LeCompte	Talle
Fisher	LeFevre	Thomas, N. J.
Fulton	Lewis	Tibbott
Gamble	Luce	Vorys, Ohio
Gavin	McConnell	Vursell
Gibson	McCowan	West
Gifford	McDonough	Wigglesworth
Gillespie	McGehee	Wilson
Gillette	McGregor	Winstead
Gillie	McMillen, Ill.	Wolcott
Goodwin	Martin, Mass.	Woodruff, Mich.
Gossett	May	

NAYS—128

Andrews, Ala.	Bryson	Carnahan
Baldwin, Md.	Bulwinkle	Chapman
Beckworth	Bunker	Cheif
Bland	Burgin	Cochran
Boren	Camp	Coffee
Brown, Ga.	Cannon, Mo.	Colmer

Combs	Johnson, Okla.	Rains
Cooper	Kee	Ramspeck
Crosser	Kefauver	Rea
D'Alessandro	Kelley, Pa.	Richards
Dawson	Kelly, Ill.	Riley
De Lacy	Kerr	Robinson, Utah
Dingell	Kilday	Rogers, Fla.
Doughton, N. C.	King	Rogers, N. Y.
Douglas, Calif.	Kopplemann	Rooney
Douglas, Ill.	Lanham	Rowan
Doyle	Lea	Russell
Engle, Calif.	Lesinski	Ryter
Fallon	Ludlow	Sadowski
Feighan	Lyle	Sasser
Fernandez	McCormack	Savage
Folger	Madden	Snyder
Forand	Mahon	Sparkman
Gallagher	Manasco	Spence
Gardner	Marcantonio	Starkey
Gary	Miller, Calif.	Stigler
Gordon	Mills	Sullivan
Gore	Monroney	Tarver
Gregory	Murdock	Thom
Harless, Ariz.	Neely	Thomas, Tex.
Harris	Norrell	Thomason
Hart	Norton	Tolan
Havenner	O'Brien, Ill.	Trimble
Hays	O'Brien, Mich.	Voorhis, Calif.
Healy	O'Neal	Wasilewski
Hedrick	Outland	White
Hendricks	Patman	Whittington
Hoch	Patrick	Wickersham
Hook	Patterson	Wood
Huber	Philbin	Woodhouse
Izac	Pickett	Woodrum, Va.
Johnson,	Powell	Worley
Luther A.	Priest	Zimmerman

NOT VOTING—166

Allen, Ill.	Earthman	Martin, Iowa
Andersen,	Eaton	Mason
H. Carl	Eberharter	Morgan
Anderson,	Ellsworth	Morrison
N. Mex.	Elsaesser	Mott
Andresen,	Ervin	Murphy
August H.	Fellows	Murray, Tenn.
Angell	Flannagan	O'Toole
Auchincloss	Flood	Pace
Balley	Fogarty	Peterson, Fla.
Baldwin, N. Y.	Fuller	Peterson, Ga.
Barden	Gathings	Pfeifer
Barrett, Pa.	Gearhart	Ploeser
Barry	Geelan	Plumley
Bates, Ky.	Gerlach	Powers
Beall	Gorski	Price, Fla.
Bender	Granahan	Price, Ill.
Bennet, N. Y.	Granger	Quinn, N. Y.
Biemiller	Grant, Ala.	Rabaut
Bishop	Grant, Ind.	Rabin
Blackney	Green	Randolph
Bonner	Gwinn, N. Y.	Rayfield
Bradley, Pa.	Hagen	Reece, Tenn.
Brooks	Hall	Reed, N. Y.
Brumbaugh	Leonard W.	Rivers
Buck	Hand	Robertson, Va.
Buckley	Hare	Rodgers, Pa.
Burch	Hartley	Roe, N. Y.
Byrne, N. Y.	Hébert	Sabath
Byrnes, Wis.	Heffernan	Shafer
Campbell	Hess	Sharp
Canfield	Hobbs	Sheppard
Cannon, Fla.	Hollifield	Sheridan
Carlson	Jackson	Sikes
Case, N. J.	Jarman	Simpson, Pa.
Celler	Johnson, Calif.	Slaughter
Clark	Johnson, Ind.	Smith, Maine
Clason	Lyndon B.	Smith, Ohio
Clements	Kean	Smith, Va.
Cole, Mo.	Keogh	Somers, N. Y.
Cole, N. Y.	Kirwan	Stefan
Cooley	Kunkel	Stewart
Courtney	LaFollette	Sundstrom
Cravens	Landis	Taylor
Curley	Lane	Torrens
Daughton, Va.	Larcade	Towe
Davis	Latham	Traynor
Delaney,	Lemke	Vinson
James J.	Link	Wadsworth
Delaney,	Lynch	Walter
John J.	McGlinchey	Weaver
Dickstein	McKenzie	Weichel
Dirksen	McMillan, S. C.	Weiss
Domengeaux	Maloney	Welch
Dondero	Mansfield,	Whitten
Drewry	Mont.	Winter
Durham	Mansfield, Tex.	Wolfenden, Pa.
		Wolverton, N. J.

So, the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:
Mr. Plumley for, with Mr. Keogh against.

Mr. Beall for, with Mr. Byrne of New York against.
Mr. Reed of New York for, with Mr. Barrett of Pennsylvania against.
Mr. Smith of Ohio for, with Mr. Sikes against.
Mr. Fuller for, with Mr. Hobbs against.
Mr. Carlson for, with Mr. John J. Delaney against.
Mr. Rodgers of Pennsylvania for, with Mr. Pfeifer against.
Mr. Stefan for, with Mr. Rabaut against.
Mr. Martin of Iowa for, with Mr. Holifield against.
Mr. Grant of Indiana for, with Mr. Jarman against.
Mr. Ploeser for, with Mr. Whitten against.
Mr. Johnson of Indiana for, with Mr. Shepard against.
Mr. Cole of Missouri for, with Mr. Price of Florida against.
Mr. Wolfenden of Pennsylvania for, with Mr. Biemiller against.
Mr. Dondero for, with Mr. Dickstein against.
Mr. Shafer for, with Mr. O'Toole against.
Mr. Dirksen for, with Mr. Lynch against.
Mr. Taylor for, with Mr. Bloom against.
Mr. Bishop for, with Mr. Randolph against.
Mr. Allen of Illinois for, with Mr. Morrison against.
Mr. Hess for, with Mr. Heffernan against.

General pairs until further notice:

Mr. Roe of New York with Mr. Fellows.
Mr. Sheridan with Mr. Mason.
Mr. Somers of New York with Mr. Canfield.
Mr. Curley with Mr. Lemke.
Mr. James J. Delaney with Mr. Case of New Jersey.
Mr. Weiss with Mr. LaFollette.
Mr. Barry with Mr. Clason.
Mr. Green with Mr. Powers.
Mr. Rayfield with Mr. Cole of New York.
Mr. Price of Illinois with Mr. Eaton.
Mr. Celler with Mr. Reece of Tennessee.
Mr. Rivers with Mr. Hagen.
Mr. Torrens with Mr. Ellsworth.
Mr. Traynor with Mr. Leonard W. Hall.
Mr. Rabin with Mrs. Smith of Maine.
Mr. Drewry with Mr. Hand.
Mr. Buckley with Mr. Sundstrom.
Mr. Cooley with Mr. Angell.
Mr. Quinn of New York with Mr. Hartley.
Mr. Bonner with Mr. H. Carl Andersen.
Mr. Lane with Mr. Weichel.
Mr. Bradley of Pennsylvania with Mr. August H. Andresen.
Mr. Burch with Mr. Wolverton of New Jersey.

Mr. DOMENGEAUX with Mr. Bennet of New York.
Mr. DURHAM with Mr. Blackney.

Mr. MARCANTONIO changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. CANNON of Missouri. Mr. Speaker, pursuant to the instructions of the House, I now report back to the House the bill H. R. 3368, the war agencies appropriation bill, with the amendment incorporated in the motion to recommit, and with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:
Amendment reducing the Office of War Information by \$17,000,000, to apply to the estimates for activities in Europe and the United States.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.
The previous question was ordered.

The **SPEAKER**. The question is on agreeing to the amendment.

The amendment was agreed to.

The **SPEAKER**. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The **SPEAKER**. The question is on the passage of the bill.

Mr. CANNON of Missouri. **Mr. Speaker**, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 252, nays 2, not voting 178, as follows:

[Roll No. 103]

YEAS—252

Abernethy	Gossett	Miller, Calif.
Adams	Graham	Miller, Nebr.
Allen, La.	Gregory	Mills
Andrews, Ala.	Griffiths	Monroney
Arends	Gross	Mundt
Arnold	Gwynne, Iowa	Murdoch
Baldwin, Md.	Hale	Murray, Wis.
Barrett, Wyo.	Hall	Neely
Bates, Mass.	Edwin Arthur	Norrell
Beckworth	Halleck	Norton
Bell	Hancock	O'Brien, Ill.
Bennett, Mo.	Harless, Ariz.	O'Brien, Mich.
Bland	Harness, Ind.	O'Hara
Bolton	Harris	O'Konski
Boren	Havenner	O'Neal
Boykin	Hays	Outland
Bradley, Mich.	Healy	Patman
Brehm	Hedrick	Patterson
Brown, Ga.	Hendricks	Phillips
Brown, Ohio	Henry	Phillips
Bryson	Herter	Pickett
Buffett	Heslton	Pittenger
Bunker	Hill	Poage
Burgin	Hinshaw	Powell
Butler	Hoch	Priest
Camp	Hoeven	Rains
Cannon, Mo.	Hoffman	Ramey
Carnahan	Holmes, Mass.	Ramspeck
Case, S. Dak.	Holmes, Wash.	Rankin
Chapman	Hope	Reed, Ill.
Chelf	Horan	Rees, Kans.
Chenoweth	Howell	Resa
Chiperfield	Huber	Rich
Church	Hull	Richards
Clevenger	Izac	Riley
Cochran	Jenkins	Rizley
Coffee	Jennings	Robertson,
Cole, Kans.	Jensen	N. Dak.
Colmer	Johnson, Ill.	Robison, Ky.
Combs	Johnson,	Rockwell
Cooper	Luther A.	Rogers, Fla.
Corbett	Johnson, Okla.	Rogers, Mass.
Cox	Jones	Rogers, N. Y.
Crawford	Jonkman	Rooney
Crosser	Judd	Rowan
Cunningham	Kearney	Russell
Curtis	Kee	Ryter
D'Alesandro	Keefe	Sadowski
Dawson	Kefauver	Sasser
De Lacy	Kelley, Pa.	Savage
Dingell	Kelly, Ill.	Schwabe, Mo.
Dolliver	Kerr	Schwabe, Okla.
Doughton, N. C.	Kilburn	Scrivner
Douglas, Calif.	Kilday	Short
Douglas, Ill.	King	Simpson, Ill.
Doyle	Kinzer	Smith, Wis.
Dworshak	Knutson	Snyder
Elliott	Lanham	Sparkman
Ellis	Lea	Spence
Elston	LeFevre	Springer
Engel, Mich.	Lesinski	Starkey
Fallon	Lewis	Stevenson
Feighan	Luce	Stigler
Fenton	Ludlow	Stockman
Fernandez	Lyle	Sullivan
Fisher	McConnell	Sumner, Ill.
Folger	McCormack	Sumners, Tex.
Forand	McCowan	Taber
Fulton	McDonough	Talbot
Gallagher	McGehee	Talle
Gardner	McGregor	Tarver
Gary	McMillen, Ill.	Thom
Gavin	Madden	Thomas, N. J.
Gibson	Mahon	Thomas, Tex.
Gillespie	Manasco	Thomason
Gillette	Marcantonio	Tibbott
Gillie	Martin, Mass.	Tolan
Goodwin	May	Trimble
Gordon	Merrow	Voorhis, Calif.
Gore	Michener	Vorys, Ohio

Vursell	Wickersham	Wood
Wasielewski	Wigglesworth	Woodhouse
West	Wilson	Woodruff, Mich.
White	Winstead	Worley
Whittington	Wolverton, N. J.	Zimmerman

NAYS—2

Hook Kopplemann

NOT VOTING—178

Allen, Ill.	Eaton	Martin, Iowa
Andersen,	Eberharter	Mason
H. Carl	Ellsworth	Morgan
Anderson, Calif.	Elsaesser	Morrison
Anderson,	Engle, Calif.	Mott
N. Mex.	Ervin	Murphy
Andresen,	Fellows	Murray, Tenn.
August H.	Flannagan	O'Toole
Andrews, N. Y.	Flood	Pace
Angell	Fogarty	Patrick
Auchincloss	Fuller	Peterson, Fla.
Bailey	Gamble	Peterson, Ga.
Baldwin, N. Y.	Gathings	Pfeifer
Barden	Gearhart	Ploeser
Barrett, Pa.	Geelan	Plumley
Barry	Gerlach	Powers
Bates, Ky.	Gifford	Price, Fla.
Beall	Gorski	Price, Ill.
Bender	Granahan	Quinn, N. Y.
Bennet, N. Y.	Granger	Rabaut
Grimmiller	Grant, Ala.	Rabin
Bishop	Grant, Ind.	Randolph
Blackney	Green	Rayfield
Bloom	Gwinn, N. Y.	Reece, Tenn.
Bonner	Hagen	Reed, N. Y.
Bradley, Pa.	Hall	Rivers
Brooks	Leonard W.	Robertson, Va.
Brumbaugh	Hand	Robinson, Utah
Buck	Hare	Rodgers, Pa.
Buckley	Hart	Roe, Md.
Bulwinkle	Hartley	Roe, N. Y.
Burch	Hébert	Sabath
Byrne, N. Y.	Heffernan	Shafer
Byrnes, Wis.	Hess	Sharp
Campbell	Hobbs	Sheppard
Canfield	Hollifield	Sheridan
Cannon, Fla.	Jackson	Sikes
Carlson	Jarman	Simpson, Pa.
Case, N. J.	Johnson, Calif.	Slaughter
Celler	Johnson, Ind.	Smith, Maine
Clark	Johnson,	Smith, Ohio
Clason	Lyndon B.	Smith, Va.
Clements	Kean	Somers, N. Y.
Cole, Mo.	Keogh	Stefan
Cole, N. Y.	Kirwan	Stewart
Cooley	Kunkel	Sundstrom
Courtney	LaFollette	Taylor
Cravens	Landis	Torrens
Curley	Lane	Towe
Daughton, Va.	Larcade	Traynor
Davis	Latham	Vinson
Delaney,	LeCompte	Wadsworth
James J.	Lemke	Walter
Delaney,	Link	Weaver
John J.	Lynch	Weichel
Dickstein	McGlinchey	Wells
Dirksen	McKenzie	Welch
Domengeaux	McMillan, S. C.	Whitten
Dondero	Maloney	Winter
Drewry	Mansfield,	Wolcott
Durham	Mont.	Wolfenden, Pa.
Earthman	Mansfield, Tex.	Woodrum, Va.

So the bill was passed.
The Clerk announced the following pairs:

Additional general pairs:
Mr. Keogh with **Mr. Plumley**.
Mr. Barrett of Pennsylvania with **Mr. Reed** of New York.
Mr. Byrne of New York with **Mr. Beall**.
Mr. Sikes with **Mr. Smith** of Ohio.
Mr. Hobbs with **Mr. Fuller**.
Mr. John J. Delaney with **Mr. Carlson**.
Mr. Pfeifer with **Mr. Rodgers** of Pennsylvania.
Mr. Rabaut with **Mr. Stefan**.
Mr. Hollifield with **Mr. Martin** of Iowa.
Mr. Jarman with **Mr. Grant** of Indiana.
Mr. Whitten with **Mr. Ploeser**.
Mr. Sheppard with **Mr. Johnson** of Indiana.
Mr. Price of Florida with **Mr. Cole** of Missouri.
Mr. Biemiller with **Mr. Wolfenden** of Pennsylvania.
Mr. Dickstein with **Mr. Dondero**.
Mr. O'Toole with **Mr. Shafer**.
Mr. Lynch with **Mr. Dirksen**.
Mr. Bloom with **Mr. Taylor**.
Mr. Randolph with **Mr. Bishop**.
Mr. Morrison with **Mr. Allen** of Illinois.

Mr. Heffernan with **Mr. Hess**.
Mr. Larcade with **Mr. Towe**.
Mr. McMillan of South Carolina with **Mr. Baldwin** of New York.
Mr. Pace with **Mr. Winter**.
Mr. Stewart with **Mr. Kean**.
Mr. Walter with **Mr. Landis**.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by **Mr. Gathing**, its enrolling clerk, announced that the Senate had passed without amendments joint resolutions and a concurrent resolution of the House of the following titles:

- H. J. Res. 208. Joint resolution making an appropriation for emergency flood-control work, and for other purposes;
- H. J. Res. 212. Joint resolution making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau, Department of Labor, and for other purposes; and
- H. Con. Res. 62. Concurrent resolution authorizing the Committee on the Merchant Marine and Fisheries of the House of Representatives to have printed for its use additional copies of part 1 of the hearings on postwar disposition of merchant vessels, held before said committee during the current session.

The message also announced that the President pro tempore has appointed **Mr. BARKLEY** and **Mr. BREWSTER** members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Commerce.
2. Department of War.
3. Office of Civilian Defense.
4. Selective Service System.
5. United States Maritime Commission.

ADJOURNMENT OVER

Mr. RAMSPECK. **Mr. Speaker**, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The **SPEAKER**. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SIGNING OF ENROLLED JOINT RESOLUTION

Mr. RAMSPECK. **Mr. Speaker**, I ask unanimous consent that notwithstanding the adjournment of the House, the Speaker may be authorized to sign enrolled House Joint Resolution 208.

The **SPEAKER**. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a set of resolutions adopted by the North Dakota Stockmen's Association, and in the other a set of resolutions in opposition to the Missouri Valley Authority.

Mr. REED of New York (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD in two instances; to include in one a set of resolutions adopted by the New York Senate, and in the other some newspaper clippings.

Mr. CHENOWETH asked and was given permission to extend his remarks in the RECORD on the meat situation and include certain correspondence with Mr. Chester Bowles.

Mr. KELLY of Illinois asked and was given permission to extend his remarks in the RECORD and include a short editorial from the Chicago Times.

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article entitled "The Auto Industry After the War." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$182, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. DOYLE asked and was given permission to revise and extend the remarks he made in Committee today and also to extend his remarks in the RECORD and include two short letters from members of the American armed forces.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in Committee today and include a letter from the President of the United States.

Mr. MARCANTONIO (at the request of Mr. RAMSPECK) was given permission to revise and extend the remarks he made in Committee today.

The SPEAKER. Under previous order of the House the gentleman from California [Mr. MILLER], is recognized for 20 minutes.

LOW COST PUBLIC POWER

Mr. MILLER of California. Mr. Speaker, the fight to eliminate two relatively small items from the Interior Department appropriation bill of 1946 has brought us face to face with one of the greatest postwar issues that the Congress will face—the question of whether the Nation wishes to avail itself of the advantages of low-cost public power in building the economy of tomorrow.

At the behest of President J. B. Black of the Pacific Gas & Electric Co., the appropriations subcommittee of this House struck from the Budget estimates for Bureau of Reclamation \$115,300 to be used for planning transmission lines from Shasta Dam to load centers in the Central Valley project area, and \$100,000 for planning a steam-power plant in the delta region of the Central Valley, which would increase the firm power available from Shasta Dam threefold.

The Senate has restored these items. If this House were to insist upon this omission, it would leave the P. G. & E. in virtual monopolistic control of electrical wholesale distribution in northern and central California, and would force the United States Government to sell current to the P. G. & E. at low rates, and buy it back in large quantities at high rates for

the operation of its tremendous Central Valley project. This would cost the electricity consumers of California, including the Bureau of Reclamation, many millions of dollars—in the course of years billions—which would enrich the P. G. & E. without any fair return.

The tragedy of this situation, however, is much broader than that. By eliminating direct Government sales in electric distribution, you would be shutting out from California many industries which would go to areas where Government competition has forced rates for electric energy down to a minimum. You would make it impossible for California, and particularly the San Francisco-Alameda-Contra Costa County area, to build a postwar economy that would absorb hundreds of thousands of war workers from shipbuilding and other war industries into peacetime occupations; and in so doing the Congress would be directly responsible for widespread unemployment, men and women left stranded in California who came to it during the war to build new industries, but who would become migrants without a base. You can prevent such tragedy.

It is not difficult to see that this is the sort of thing which begins the deflationary cycle more quickly and effectively than anything else. When depression once gets rolling, it gathers momentum until it eventually carries the entire economy of the Nation with it. Gentlemen, I am telling you that right now and here is the time and place to act so that the hope of every person in America that we shall build a sound economy of abundance does not become an empty dream.

We can have full employment. We can build new industries that will flourish in the West as well as in the East. We can help each other upward, almost as easily as we can drag each other downward, if we can only recognize the things that are necessary for us to do.

Let me repeat—nothing is more important in maintaining employment and a high-velocity economy in the West at this very moment when cut-backs in shipbuilding and munitions production are occurring than large supplies of low-cost electric energy injected freely into the industrial blood stream. The energy used for heat and power in many manufacturing industries is one of the most important costs of manufacture. If we in California are permitted to avail ourselves of the energy which nature has provided so abundantly in our State, we can in the postwar world take our place permanently as one of the great manufacturing States along with those of the East, for we now have an oversupply of manpower, and mineral and agricultural resources of our region are among the most abundant.

But we cannot rely upon the P. G. & E. to provide the low-cost power which must be obtained if we are to put our manpower to work on our resources. At least we cannot rely upon the P. G. & E. as long as it continues to operate as a monopolistic enterprise. This conclusion is not hastily arrived at. Nor am I pointing a finger of scorn and anger at the P. G. & E. when I declare that it is the principal menace to the prosperity of

California in the postwar period. The officers of the P. G. & E. would consider themselves derelict in their duty if they did not oppose the introduction into California by the Federal Government of low-cost electrical energy, for they do not have the foresight to realize that this is California's salvation. They can see only the profits they think they might lose in the next few years.

But the Congress has the duty of examining a situation, not from the viewpoint of the stockholders of one private utility, but from the standpoint of all of the people of the Nation; and this viewpoint means that each region must help every other region to maintain the maximum of employment and prosperity consistent with the welfare of the whole. We have learned from extremely sad experiences that when the economy of one part of the Nation suffers seriously that all parts inevitably suffer.

Let us establish one point right now. Shasta power is low-cost power. With Shasta power made available to the industrial and agricultural areas of California without passing through the distributing systems of the P. G. & E. it could be delivered at rates that would compare well with the lowest rates for electric energy in the United States.

The Central Valley project interim rates established last March by the Bureau of Reclamation, which probably will be reduced somewhat if the Congress permits the CVP to construct its own transmission lines and a steam plant in the Delta region, could be distributed to many towns, irrigation districts, and cooperatives in California. The city of Redding, which is close to Shasta Dam, now pays about 7½ mills a kilowatt-hour for the current it buys from the P. G. & E. The CVP is negotiating to sell current to Redding at around 5 mills, a reduction of one-third.

The P. G. & E. sells current at average rates ranging from 7.7 mills to 11.2 mills to the cities of Alameda, Biggs, Gridley, Lodi, Palo Alto, and others. With CVP interim rates, these cities could receive electric energy for between 4.8 mills to 6.8 mills per kilowatt-hour. The upper figure is a little below the Tennessee Valley Authority rates, but this does not mean that CVP interim rates are, on the whole, lower than those of the TVA. In general, the CVP interim rate is lower than the TVA rate for small towns and rural electric cooperatives, but for large towns or large power districts the TVA rate is lower than the CVP interim rate. The 2 rates coincide at about 3,000 kilowatts. At 500 kilowatts the CVP interim rate is 1 mill lower than the TVA rate. For loads greater than 10,000 kilowatts, the TVA industrial rate is lower. For example, a 5,000 kilowatt load is slightly more than one-tenth of a mill higher under the TVA rate than under the CVP rate, whereas a 50,000-kilowatt load is about one-tenth of a mill lower under the TVA rate than under the CVP rate.

The gentleman from Mississippi [Mr. RANKIN] has pointed out to you that if electric rates throughout the United States could be reduced to the rates now charged by the TVA, there would be a saving to all consumers of approximately

\$1,335,000,000 a year. From the analysis that I have made it is obvious that the saving would be approximately the same under the interim rates now charged by the Central Valley project of the Bureau of Reclamation. We know that TVA rates are low rates. CVP rates also are low rates. P. G. & E. rates are considerably higher.

Now, without prejudice, let us make a comparison of P. G. & E. rates with those to be found in the State of Washington. We need go back only to 1940, when the war in Europe was beginning to have a powerful impact upon American industry to obtain a picture of the behavior pattern of the great California utility company, as compared with the behavior of the public agencies, which produce and distribute electric current in the State of Washington.

In 1940 the P. G. & E. sold 2,700,000,000 kilowatt-hours of electric energy to its commercial and industrial customers, whereas only 1,900,000,000 kilowatt-hours were sold in the State of Washington by public and private agencies.

With the movement of war industry to the Pacific coast great advances in the commercial and industrial use and distribution of electricity occurred. But gains in the State of Washington were far more rapid than in California. While the volume of electricity sold in commercial and industrial services by the P. G. & E. advanced 81 percent between 1940 and the end of 1944 to a total of 4,800,000,000 kilowatt-hours, sales in the State of Washington advanced 312 percent to a total of 7,600,000,000 kilowatt-hours. Although the output in the State of Washington for commercial and industrial purposes in 1940 was 800,000,000 kilowatt-hours less than that of the P. G. & E., by 1944 it had become 2,800,000,000 kilowatt-hours greater than that of the P. G. & E.

When one examines the difference between the commercial and industrial rates charged by the P. G. & E., and by the Bonneville Power Administration, which derives its electricity from the Grand Coulee Dam operated by the Bureau of Reclamation and the Bonneville Dam operated by the Corps of Engineers, one finds an important reason why war industry preferred the State of Washington to California.

The rate figures which I present here for the P. G. & E. are taken from the Federal Power Commission's, Statistics of Electrical Utilities in the United States, except those for 1944, which are taken from the company's annual report, and the figures for the State of Washington were derived from Electric Energy Sales Statistics, put out by the department of public service, State of Washington. These figures show an average rate for commercial and industrial services of the P. G. & E. of 13.73 mills per kilowatt-hour in 1940 and 10.11 mills for the State of Washington. At that time commercial and industrial rates in the Northwest were 26 percent lower than in California.

In the following 4 years, however, these rates were reduced 16 percent in California and 53 percent in the Northwest, so that the Washington rates in 1944 were less than half—only 41 percent—of the

P. G. & E. rates. Commercial and industrial rates in the Northwest had come down to 4.74 mills per kilowatt-hour, as compared with 11.59 mills in California.

It is perfectly clear that California has been placed at a terrible disadvantage by its greatest private utility. On a 100-percent load factor, industries in the Northwest get their current for the astonishingly low rate of 2 mills per kilowatt-hour. These low rates have attracted such developments as aluminum rolling mills, plants for the manufacture and processing of magnesium, ferro alloys, calcium carbide, and chlorates, representing an investment of about \$155,000,000. These plants alone added about \$40,000,000 annually to the tax rolls of the communities affected, and paid some \$650,000 in local property taxes in Washington in 1945.

More and more industries are using large quantities of electrical energy, and the tendency will continue in the years to come. This is an argument which should appeal to every businessman in California. High rates for electric current seem like too high a price to pay to nourish a traditional dislike for Government enterprise. Even when viewed from the utility stockholder's angle, perhaps it is not good business. For while revenues from commercial and industrial sales of current by the P. G. & E. climbed 53 percent as the result of slightly lowered rates and the influx of war industry, similar revenues in the Northwest climbed 93 percent—almost doubling.

If industry in the State of Washington continues to advance faster than in California, it will be demonstrated forcefully to the P. G. & E. stockholders that they would have been better off if rates had been reduced more.

It is the people of California, however, with which I am concerned. They could have \$60,000,000 in the single year of 1944 on their light and power bills if they had obtained the benefit of low rates enjoyed by the people of Washington. If, on the other hand, the people of Washington had been forced to pay P. G. & E. rates, they would have paid out \$79,000,000 more for their current than they paid for public power from Grand Coulee Dam and other sources.

Now the P. G. & E. is very anxious that the Central Valley project should not distribute the power which it produces, but should sell it at the bus bar to the P. G. & E. at a very low rate. The private utility would then carry the current over its own lines to the pumping stations of the Central Valley project and sell the power back to the Government at a high rate. That is the principal reason President J. B. Black of the P. G. & E. opposed making even the smallest appropriations to the Bureau of Reclamation for planning a steam power plant in the Delta region, which would vastly increase the usefulness of Shasta power by increasing its firm energy about threefold. The P. G. & E. president also opposed a small sum for planning a transmission line which would carry Shasta power to the load centers where it will be required.

One of the claims made by Mr. Black was that the P. G. & E. stood ready to market all of the power which might be

produced at Shasta. This claim is misleading. Here are some facts that speak for themselves. During the first 4 months of this year the P. G. & E. took 231,860,890 kilowatt-hours of energy from the Shasta power plant. During this period, 852,942 acre-feet of water were released from the Shasta Reservoir. The power demand from the P. G. & E. was too small to use all of this water through the Shasta generators, so it was necessary to spill 124,201 acre-feet over the dam. This water could have generated about 42,000,000 kilowatt-hours of electric energy, which, if taken under the company's contract would have resulted in \$62,000 additional revenue to the Government. It does not appear that the company's claim of being ready to absorb all of the power produced at Shasta is entirely in accordance with the facts.

To rely upon the P. G. & E. to do so, and thereby bring the full benefits of Shasta's technical advances to the people of California, would seem to me foolhardy in the extreme. Nothing in the attitude of the P. G. & E. toward public power has ever given me the impression that the company wished to encourage its development no matter how much public power might help in building up the State of California. Before one could have such confidence, the P. G. & E. would have to adopt some new attitudes.

I have compared P. G. & E. rates with those to be found to the north of the San Francisco-Alameda-Contra Costa County area, in the State of Washington. There is less advantage accruing to southern California, although the public power brought to Los Angeles hundreds of miles across the Sierra Nevada Mountains from Boulder Dam, also owned by the Bureau of Reclamation, gives the great city to the south of us some advantage, particularly for large users. I shall not go into a detailed examination of the sale of power, but merely point to a tabulation worked out by the Federal Power Commission showing the ranking of various cities in relation to electric rates. This list covers cities of 50,000 population or more. On top of the list is the city with the lowest rates in each class. The rates for small users—those consuming 25 kilowatt-hours or less a month, and these consumers for the most part are poor people—are illuminating. In this class San Francisco rates were ranked forty-seventh from the top, about half way down the list, while Los Angeles rates were thirty-fifth, indicating somewhat lower rates.

A greater difference is shown for smaller cities. Pasadena, which receives current from Boulder Dam, ranks forty-second from the top of the list, while Sacramento, which buys current from the P. G. & E. ranks eighty-fourth at the very bottom of the list. In other words, for the smallest users, the P. G. & E. gives the very worst rates in any large city in the United States. Cities in the TVA area give the best rates to small users. The attitude toward small users perhaps is significant of the attitude toward the public in general.

When it comes to the larger users, those who consume 250 kilowatt-hours of current or more a month, Los Angeles with

Boulder Dam current is tenth from the lowest rate of any large city in the country, while San Francisco with P. G. & E. current ranks twenty-fourth. Tacoma has the lowest rates in this classification and Seattle the second lowest.

Now let me touch on another phase of P. G. & E. rates. Some of the cities of California were among the first to establish municipal systems, at first producing their own current in steam plants. But as the great central power plants of the large cities were developed by private utilities, it was found that current could be produced more cheaply in these big plants, than in the relatively small plants of the lesser cities.

The city of Alameda across the bay from San Francisco was the first city in California to own its power plant. This system is operated by the Alameda Bureau of Electricity. By 1928, its steam electric plant had become too small to serve the growing city, and it was decided that current could be purchased to better advantage from the P. G. & E. Rates to consumers were set which were just about the same as those charged by the P. G. & E. across the bay in San Francisco. But while San Francisco has gained little from owning the Hetch Hetchy plant, because it has been prevented from building transmission lines to the city, the city of Alameda has profited tremendously from owning its own distribution system and buying power.

Alameda always has made a handsome profit on its investment in plant and equipment by retailing at the P. G. & E. rates. Last year it had a net income of \$453,500 on a plant valuation of \$1,838,300—a profit of 25 percent. This year it is estimated that the net income will amount to about \$505,000, or a profit of about 26 percent. The Alameda Bureau of Electricity does not pay taxes on its revenue. But it does turn over to the city most of its net income. This dividend to the taxpayers last year amounted to \$392,490, or 21 percent of the valuation of the plant. Now, this is a pretty good rate of return to the citizens of Alameda upon their investment in a distributing system. For a number of years the rate of return was in the neighborhood of 14 percent, which is not a bad return on any investment these days.

A study made by the Water Project Authority of California in 1941 revealed that from 1914 to June 30, 1939, inclusive, the bureau of electricity transferred to the city of Alameda's general fund as dividends \$2,830,919. Since fiscal 1939 through fiscal 1945, this year being estimated, \$1,660,800 more will have been added. These dividends have been used by the city for constructing schools and firehouses, a health center, a golf course, a public library, and other civic improvements.

Some use of funds in this manner is justified, but even more is to be gained by bringing rates for industrial purposes down to the lowest possible figure, for it is in this way that an area can bring to it the industries it needs, and can by the application of low-cost power develop resources which otherwise never could

be used profitably. That is the direction in which we shall have to move in the postwar world to make the most out of this rich land of opportunity—rich only if we do not try to squeeze out of it the greatest immediate profit that the traffic will bear, but do whatever we can to bring down costs of operation, while maintaining the purchasing power of the lower income groups. For it is in maintaining farmer and worker income, even increasing it, that the great markets of the future are to be developed.

The claim sometimes is made that private utilities pay taxes to the State, whereas public power units do not. Under systems of State regulation of rates private utilities are permitted to add to the electric bills of consumers every penny of all the taxes they pay to local, State, and Federal Governments. You may remember that in the old days of the National Electric Light Association, its managing director, Mr. M. H. Aylesworth, used to advise utilities to spend money freely in selling their propaganda to the people. "Do not be afraid of the expense. The public pays the expenses," he told the public relations section of the N. E. L. A. in Birmingham, Ala., in 1924. The utilities had no sense of guilt in using the people's money to tell them that public power was uneconomical and doomed.

Well, in California, taxes have been declared by the courts to be an "operating expense," and stand in the same category as wages paid. The claim these companies make that they are "heavy taxpayers" is a pretty cheap way of gaining a lot of credit. It is the purchaser of electric current who deserves the credit for paying utility taxes. But he can obtain that credit more directly by investing in public power. In fact, from an investment point of view there could be none better, for not only is interest paid upon the bonds the Government sells to finance the construction of reclamation multiple-purpose projects—and Government bonds are generally considered a pretty fair investment—but the public receives benefits in lower electric rates, immediately the projects are completed. These lower rates are fixed for power generated not only in its own plants, but from the private utilities which bring down their rates to meet the competition, and incidentally collect more money because their sales increase.

If this were a matter which concerned California alone, it would be still important. But may I point out to you that this is vital to the entire Nation. The magnitude of its importance will become more obvious with every year that passes.

The effort to prevent the Government from building electric distributing systems which will be owned by all of the people, instead of selling current at the bus bar to private utilities, is an issue which will be fought over whenever a Government dam produces large quantities of power. The Shasta transmission line is only a typical example. Unless the people obtain from their own representatives here in the halls of the Con-

gress a clear mandate to distribute the electric energy they produce, the benefits of low-cost power will not reach the great majority of consumers, including thousands of small business units throughout the country. The Congress cannot afford to represent the great utility monopolies, rather than the rank and file of the American people.

And it is no exaggeration to add that unless the benefits of low-cost electrical energy are broadly disseminated in the postwar period one of the chief advantages of modern technological improvement will be denied to the people of the United States, and the economy of abundance under which there could be jobs and reasonable incomes for almost all who wish to work will continue to be an utopian dream.

We owe this to ourselves. But we owe a greater debt to the men who have fought to keep us from becoming the slaves of Germany and Japan. If we should fail to take advantage of all that modern science can offer to reduce the cost of living, to shorten hours of labor, to bring greater leisure in which to enjoy the more beautiful things of life, then, I say, we are slaves of our own stupidity.

If we act wisely today by preparing plans for the construction of the vast irrigation and low-cost power projects which the Bureau of Reclamation has proposed, we shall be taking at least one step which will help provide jobs for our men when they return from war, and lasting opportunities for the future of all Americans. These projects are not leaf-raking makeshifts for the unemployed. They are the best-paying, long-term investments that the American people can make. No money we can spend will bring more substantial returns. If we merely look backward and declare, "The Government should stay out of business, and great power projects which are proposed in this program constitute big business," then we are shackling ourselves to tradition.

The truth is that healthy and continued growth of this Nation in the light of today's knowledge requires the coordinated development of great river valleys calling for multiple-purpose projects too large, too complicated, too charged with the public welfare and safety for private business to tackle. The Government is today the only agency that can undertake such tasks. We must accept this as a necessity of the present and a policy for the future. Unless we have the boldness to look forward realistically, we shall see other nations marching out ahead of us in the procession down the avenues of time which men call the progress of civilization.

PERMISSION TO ADDRESS THE HOUSE

Mr. WORLEY. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. PACE, for 4 days, June 11, 12, 13, and 14, on account of important business.

To Mr. BIEMILLER (at the request of Mr. IZAC) for today, on account of official business.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 212. Joint resolution making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau, Department of Labor, and for other purposes.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, June 11, 1945, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 4 of the Committee on the Judiciary, beginning at 10 a. m., on Monday, June 11, 1945, on the bill (H. R. 2788) to amend title 28 of the Judicial Code in regard to the limitation of certain actions, and for other purposes. The hearing will be held in room 346, Old House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold a public hearing at 10:30 a. m., on Tuesday, June 12, 1945, on H. R. 3263.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the full Committee on the Post Office and Post Roads on Tuesday, June 12, 1945, at 10 a. m., at which time hearings will be resumed on H. R. 3235, a bill readjusting the rates of postage on books.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold an executive hearing at 10:30 a. m., on Thursday, June 14, 1945, on H. R. 173, H. R. 1584, and H. R. 2256.

COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary has scheduled hearings, to begin at 10 a. m., on Monday, June 18, 1945, on the following joint resolutions: House Joint Resolution 67, to declare the policy of the Government of the United States in regard to tide and submerged lands; and House Joint Resolution 118, House Joint Resolution 119, House Joint Resolution 122, House Joint Resolution 123, House Joint Resolution 124, House Joint Resolution 146, House Joint Resolution 143, House Joint Resolution 129, House Joint

Resolution 130, House Joint Resolution 134, House Joint Resolution 137, House Joint Resolution 138, House Joint Resolution 146, House Joint Resolution 148, House Joint Resolution 153, House Joint Resolution 172, and House Joint Resolution 193, entitled "To quiet the titles of the respective States and others to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles." The hearings will be held in the Judiciary Committee room, 346 House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 290. Resolution providing additional compensation for the second assistant clerk to the Committee on Claims; without amendment (Rept. No. 709). Referred to the House Calendar.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 3395. A bill to extend through December 31, 1945, the termination date under the Renegotiation Act; without amendment (Rept. No. 725). Referred to the Committee of the Whole House on the State of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 3393. A bill to improve salary and wage administration in the Federal service; to provide pay for overtime and night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in the Federal personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes; without amendment (Rept. No. 726). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. H. R. 852. A bill for the relief of Betty Jane Ritter; without amendment (Rept. No. 710). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 854. A bill for the relief of Isabel Carlson; with amendment (Rept. No. 711). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 1057. A bill for the relief of the legal guardian of Margaret Hockenberry, a minor; with amendment (Rept. No. 712). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 1085. A bill for the relief of Mrs. Celia Ellen Ashcraft; with amendment (Rept. No. 713). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 1145. A bill for the relief of Ben. W. Colburn; with amendment (Rept. No. 714). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 1564. A bill for the relief of William W. Maddox; with amendment (Rept. No. 715). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1601. A bill for the relief of Dorothy M. Moon; without amendment (Rept. No. 716). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 1849. A bill for the relief of Mrs. Ora R. Hutchinson; with amendment (Rept. No. 717). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2028. A bill for the relief of John Visnovec, Rose Visnovec, and Helen Visnovec; with amendment (Rept. No. 718). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 2163. A bill for the relief of Teresa Tine; with amendment (Rept. No. 719). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 2266. A bill for the relief of land and personal property owners of Fort Knox area of Meade County, Ky.; with amendment (Rept. No. 720). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 2450. A bill for the relief of Bruce Bros. Grain Co.; without amendment (Rept. No. 721). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 2515. A bill for the relief of Harland Bartholomew and Associates; without amendment (Rept. No. 722). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2763. A bill for the relief of Fred Crago; with amendment (Rept. No. 723). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3388. A bill for the relief of Mrs. Jeanette B. Stedman; with amendment (Rept. No. 724). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BATES of Kentucky:

H. R. 3420. A bill to provide for refunds to railroad employees in certain cases, so as to place the various States on an equal basis, under the Railroad Unemployment Insurance Act, with respect to contributions of employees; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN:

H. R. 3421. A bill to amend Public Law 347, Sixty-fourth Congress, approved February 23, 1917; to the Committee on Education.

H. R. 3422. A bill to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes; to the Committee on Agriculture.

By Mr. HALLECK:

H. R. 3423. A bill to reestablish the Civil Aeronautics Board as an independent agency of the Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 3424. A bill to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes; to the Committee on Patents.

By Mr. PETERSON of Florida:

H. R. 3425. A bill to extend the time for filing valid application for disabled emergency officers' retirement benefits, to grant retirement pay to World War emergency officers who now have or who may later establish a 30 percent or more service-connected permanent disability for this and/or other purposes; to the Committee on Military Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 3426. A bill to provide continued ratings of permanent and total degree where active tuberculosis has been established and to terminate reduction of pension, compensation, or retired pay under laws administered by the Veterans' Administration in the cases of veterans without dependents who are hospitalized or domiciled; to the Committee on World War Veterans' Legislation.

By Mr. VINSON:

H. R. 3427. A bill to authorize the Secretary of the Navy to convey Casa Dorinda estate in Santa Barbara County, Calif., to Robert Woods Bliss and Mildred B. Bliss; to the Committee on Naval Affairs.

By Mr. LATHAM:

H. R. 3428. A bill to authorize the erection of a Veterans' Administration general medical and surgical hospital and domiciliary facility in the Borough of Queens, city of New York; to the Committee on World War Veterans' Legislation.

By Mr. KEFAUVER:

H. R. 3429. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARNAHAN:

H. R. 3430. A bill for the relief of George F. Powell; to the Committee on Claims.

By Mr. GOSSETT:

H. R. 3431. A bill for the relief of F. W. Burton; to the Committee on Claims.

By Mr. LECOMPTE:

H. R. 3432. A bill for the relief of J. W. Ederly & Co.; to the Committee on Claims.

By Mr. LYLE:

H. R. 3433. A bill for the relief of A. L. Maloy and T. G. Bosquez, operating under the name of Maloy & Bosquez Lumber Co.; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 3434. A bill for the relief of Belmont Properties Corp.; to the Committee on Claims.

By Mr. MCGEEHEE:

H. R. 3435. A bill to provide for the reimbursement of certain Navy personnel and former Navy personnel for personal property lost or destroyed as the result of a fire which occurred on the naval station, Tutulla, American Samoa, on October 20, 1943; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

900. By Mr. BRYSON: Petition of Stella K. Ormond and 3,500 other citizens of North Carolina, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

901. Also, petition of Mrs. E. G. Ellis and 85 other citizens of Council Bluffs, Iowa, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

902. Also, petition of Mrs. E. W. Robinson and 1,458 other citizens of the State of Tennessee, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

903. Also, petition of Mrs. G. W. Hummel and 794 other citizens of the State of Kentucky, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

904. Also, petition of Mrs. L. S. Evins and 1,392 other citizens of the State of Alabama, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

905. Also, petition of William C. Wesracott and 152 other citizens of Westfield, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

906. Also, petition of Mrs. G. G. Bright and 35 other citizens of Euclid, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

907. Also, petition of R. L. Pound and 123 other citizens of Seattle, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

908. By Mr. COCHRAN: Petition of Angelo Garvaglia and 29 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

909. Also, petition of Arthur Russell and 31 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

910. Also, petition of H. J. Petri and 28 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

911. Also, petition of Charles Heigelheim and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

912. Also, petition of John Pelt and 25 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

913. By Mr. DICKSTEIN: Petition of the Legislature of the State of New York, requesting the enactment of legislation declaring the Indians within the State of New York, whether residing within or without any of the reservations within such State, subject

to the jurisdiction and laws of the State of New York in all respects excepting only those matters wherein jurisdiction has been or hereafter shall be expressly assumed by the Federal Government; to the Committee on Indian Affairs.

914. By Mr. ELLSWORTH: Petition of Pearl E. Wicks and 31 other citizens of Myrtle Point, Oreg., petitioning consideration of the resolution with reference to the passage of House bill 2082; to the Committee on the Judiciary.

915. By Mr. KEE: Resolution of the Associated Syrians of Mercer, McDowell, and Wyoming Counties, W. Va., relative to their great concern over the present political situation in Syria; to the Committee on Foreign Affairs.

916. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, apprising the President of the United States that further decreases in existing tariff rates, if made by him, may adversely affect the textile industry in Massachusetts; to the Committee on Ways and Means.

917. By Mr. SABATH: Petition of the House of Representatives of the State of Illinois, urging the Congress of the United States to enact a law prohibiting the requirement of the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on the Judiciary.

918. By Mr. SULLIVAN: Petition of Helen Becks and 252 other citizens of St. Louis, Mo., urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm security program now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

919. Also, petition of Artie Reed and 275 other citizens of St. Louis, Mo., urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm security program now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

920. Also, petition of Mr. Hines and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

921. Also, petition of Mr. Happel and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

922. Also, petition of Mrs. Holman and sundry other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

923. Also, petition of Mr. Silvester and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

924. Also, petition of Mrs. Edward Kraus and 34 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

925. Also, petition of G. Lambs and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

926. By Mr. ROWAN: Petition of House of Representatives of the Sixty-fourth General Assembly of the State of Illinois adopted May 29, 1945, with reference to prohibiting the requirement of the payment of a poll tax as a prerequisite to voting; to the Committee on the Judiciary.